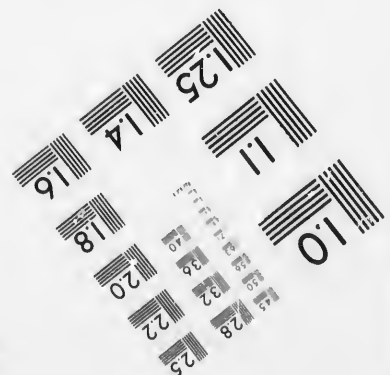
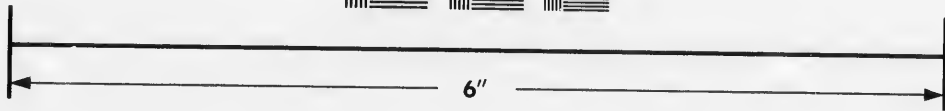
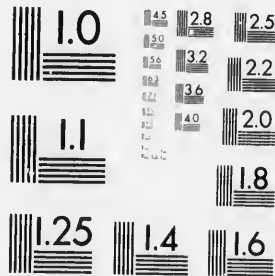


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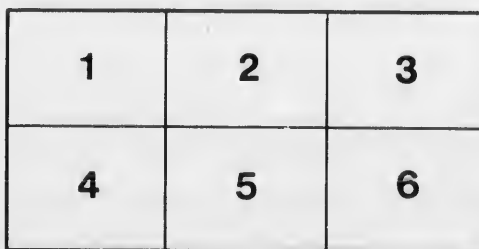
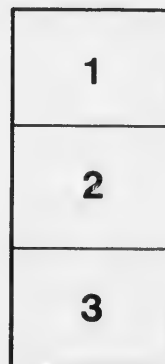
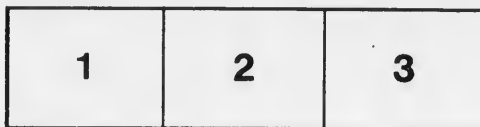
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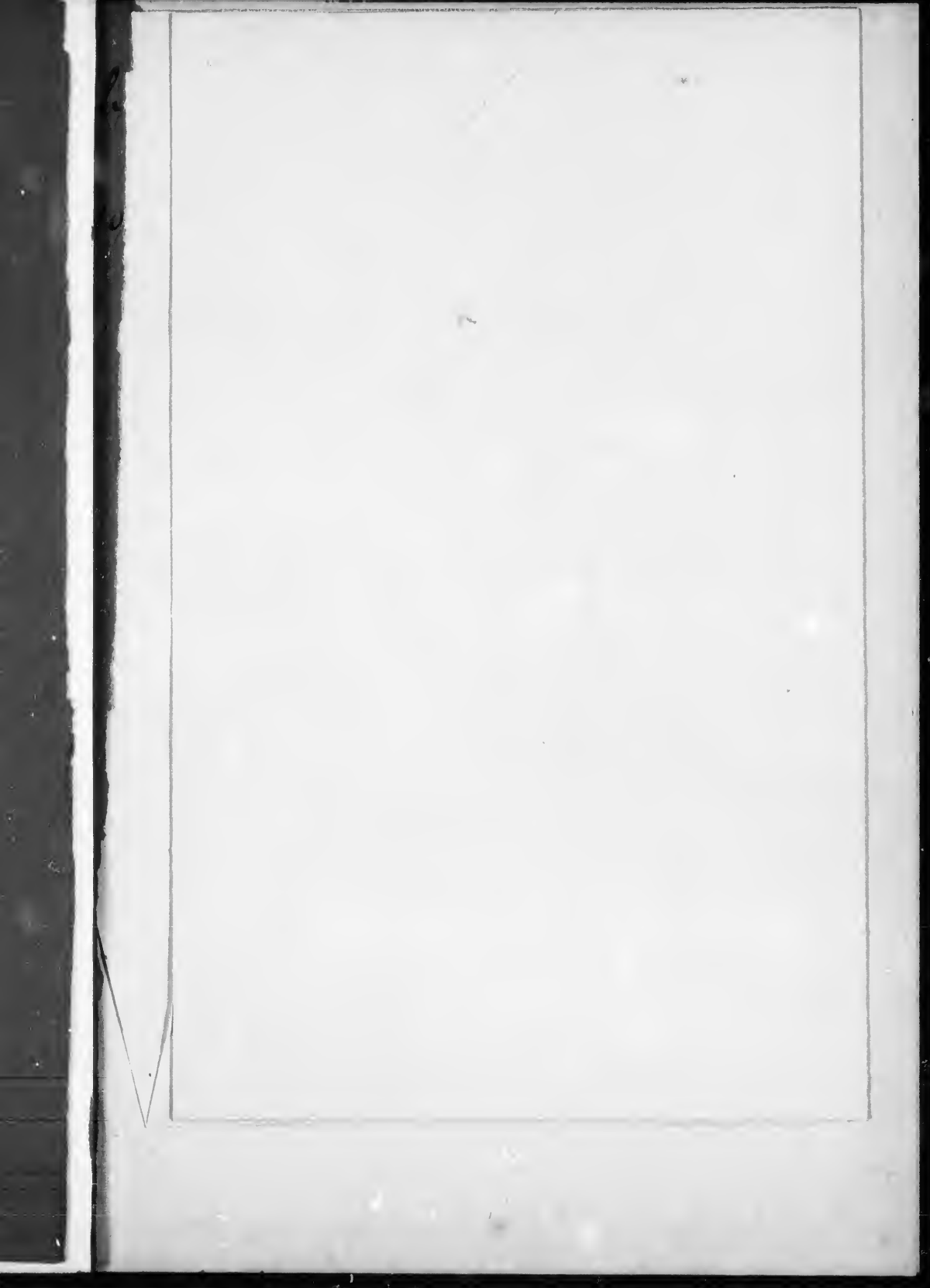
*Charles Fitzpatrick Esq  
M.P.R. 2000  
with W. Hogan's  
Compliment* 31-A

BAIE DES CHALEURS RAILWAY CO.

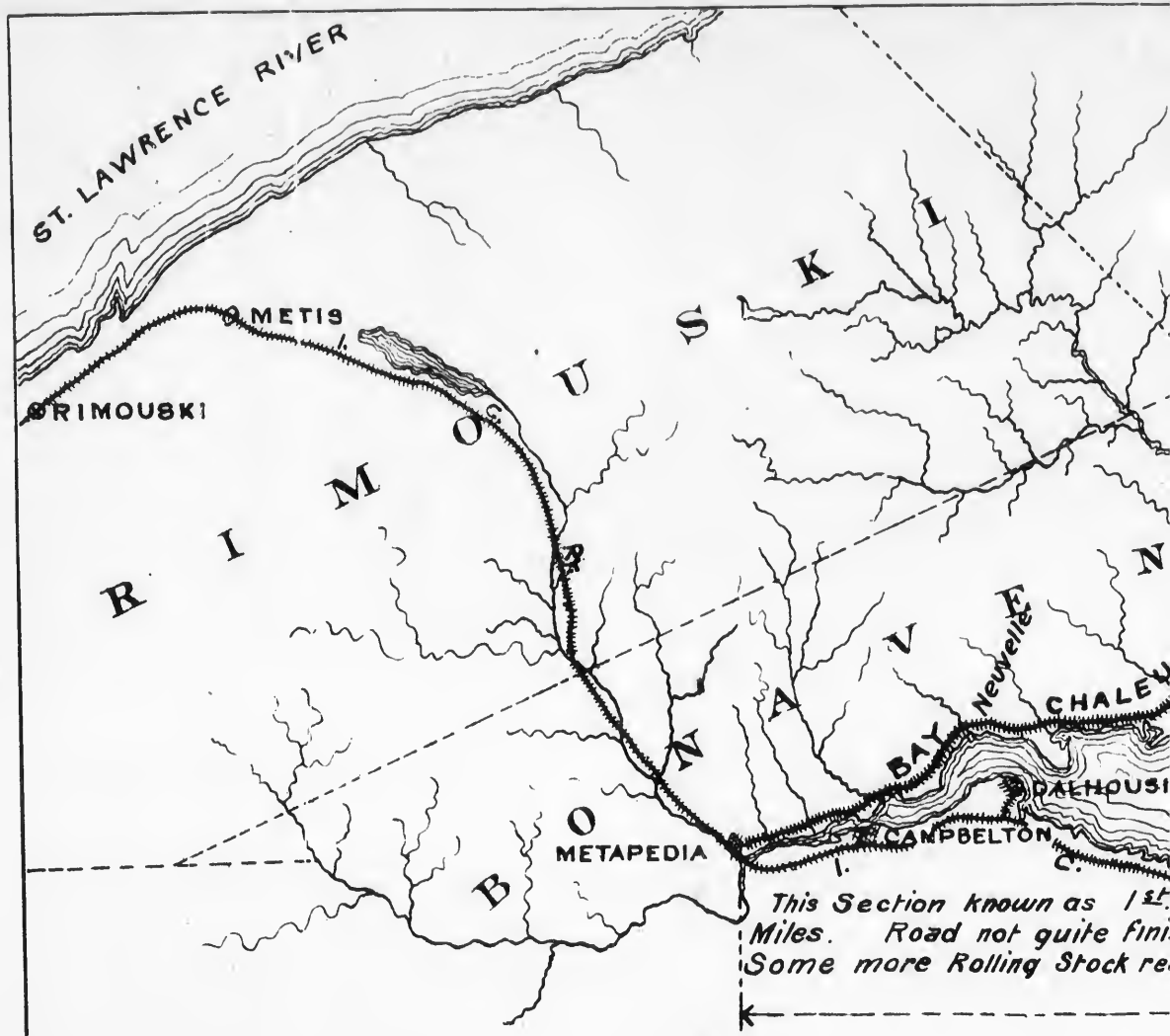
THE  
FACTS RELATING  
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VIZ.  
60th TO 80th MILE,  
KNOWN AS  
HOGAN'S CONTRACT.

1893



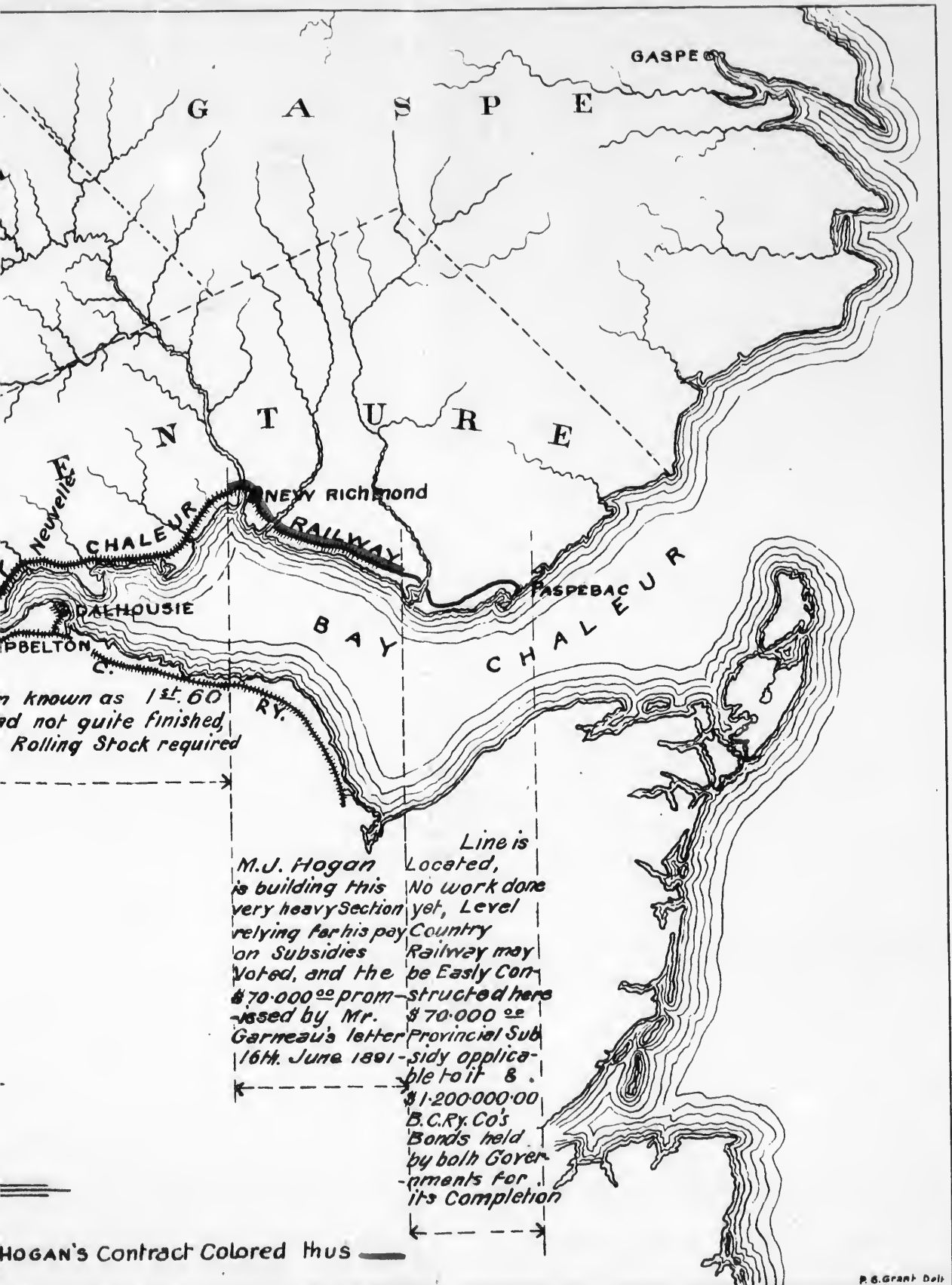






— MAP OF —  
 PART OF THE  
 — PROVINCE OF QUEBEC —  
 SHEWING THE  
 — BAY CHALEUR RAILWAY —

NOTE., HOGAN'S Contract



known as 1st. 60  
and not quite finished.  
Rolling Stock required

M.J. Hogan is building this very heavy section relying far his pay on Subsidies Voted, and the \$70,000 prom-issed by Mr. Garneau's letter 16th. June 1891

Line is Located, No work done yet, Level Country Railway may be easily constructed here \$70,000 Provincial Subsidy applicable to it & \$1,200,000 B.C.Ry. Co's Bonds held by both Governments for its Completion

HOGAN'S Contract Colored thus —

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## BAIE DES CHALEURS RAILWAY CO.

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The facts relating to a portion of this road, viz.  
60th to 80th mile, known as  
Hogan's contract.

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The fact of my having taken a contract from the above Company resulting in the loss of a year of my time, and injury to my reputation as a contractor, (which is unavoidable, while I am obliged to be around or in any way identified with such a concern)—and for me the most serious of all—the fact, that I induced, in perfectly good faith my particular friend, Mr. Macdonell, to join me with his money and personal services in the contract, and that he did so on my simple word that the transaction was all right, and, without any investigation on his part, placed to my credit (20th July, 1891,) for this work in the Bank of Nova Scotia, Montreal, \$75,000, being his share of \$150,000 placed there that day for the purpose of this contract, and that he has continued ever since to furnish his share as money was required until over \$100,000 of his money is tied up against which he

has never received a cent, together with the cruel manner in which I have been sent from post to pillar between the Company and the Government for the last year, and a desire to set myself right, as far as I can, with any one whose good opinion of me as a working contractor has been affected, are, I think, sufficient justification for putting the following correspondence together in such a way that it may be read conveniently, and in the order in which it occurred. Some surprise has been expressed that I should have taken a contract from this company, and more surprise that I could be held so long doing the work. To this I would say—the personnel of the company as constituted, when I took the contract was, I thought, highly respectable. Messrs. James Cooper, J. P. Dawes, Alexander Ewing and James Williamson, of Montreal, with others, were in it, and were described by the press of the day as a syndicate of Capitalists, determined to finish this road and develop the resources of the country, and they did not contradict this description of themselves or their intentions. I had no reason to suppose such men would allow their names to be used unless they had a real interest in the enterprise, had ascertained its position, and understood the responsibility they assumed. But I went further than the personnel of the company, and as much of their official dealing with the Government of the day as it was necessary for them to show me appeared perfectly straight; they were clearly entitled to subsidies for the work I was undertaking, the only condition being that the work should be satisfactorily performed, and I intended doing that to the letter, and if my part of the

road is not finished and handed over long ago, it is because the money to pay me has not been provided by the Government in accordance with my contract. The Government say the company have not yet shown their ability to carry out their obligations on the portions of the road not included in my contract. I have insisted that I was always entitled to what was expressly promised by the Government for the part I undertook, and that I was in no way responsible for the short comings of a company accepted by the Order in Council creating them as having the necessary means to fulfil their obligations. The President, Mr. Cooper, was well and favourably known to me. I had known him as an honest man, and it was at his particular request that I undertook the work under the following circumstances:— Mr. Cooper, acting for the Syndicate, sent for me some time in May 1891, and asked me to submit an offer to build a combined highway and railway bridge over the Grand Cascapedia, and 20 miles of railway east of it. After a careful examination on the ground, of the work to do, the company having other tenders—I submitted my lowest cash offer, and only then learned the company could not pay cash, but would assign me the subsidies. This caused a halt as I did not care to accept subsidies, nor was it convenient for me to afford the company that amount of accommodation. At the particular request of Mr. Cooper I looked around for an associate. As stated above, Mr. Allan R. Macdonell, of Montreal, a contractor of means and experience joined me, so I was then in a position to advance what money was required and offered to close a contract for

the work for \$300,000 (the company's own engineer's estimate being \$359,664, as submitted by them to the Government about 9th July 1891.) A second halt occurred when I discovered that all the subsidies, Dominion and Provincial applicable to the work I was undertaking only amounted to \$234,000. I then broke off the negotiations, which were afterwards renewed by the company, upon showing me that it had obtained an additional subsidy applicable to these 20 miles of \$70,000. This will appear from the following correspondence :

---

No. 1.

QUEBEC, June 5th 1891.

HON. PIERRE GARNEAU,  
*Commissioner of Public Works,*  
*Premier ad interim.*

SIR,

In view of the fact that the first sixty miles of our railway will cost to repair considerable more than was represented, and inasmuch as the cost of building the miles 60 to 80 on account of the number of expensive steel bridges, heavy cuttings, and rock work, will cost nearly twice as much to construct, as the miles 80 to 100, which from surveys actually made proves to be through an absolutely flat country.

*The Company therefore desire that of the \$7,000.00 per mile, payable on the last twenty miles, that is 80 to 100, \$3,500 per mile be applied and made payable on miles 60 to 80, making the subsidy of \$260,000.00 payable on the last forty miles as follows when earned:—*

Miles 60 to 80 one hundred and ninety thousand dollars (\$190,000.00), of which amount one hundred and twenty thousand dollars (\$120,000.00), shall be paid on completion of the said twenty miles to the satisfaction of

your engineer, and the balance, *namely, seventy thousand dollars* (\$70,000,00), shall be paid two months after said completion.

Miles 80 to 90 thirty five thousand dollars on completion.

Miles 90 to 100 thirty five thousand dollars on completion.

A readjustment of the subsidy in the manner above mentioned would be more correctly apportioned to the cost of the work to be performed on the different sections, and would entail no further cost to your Government. We therefore respectfully ask that your Government consent to the change in payment of the subsidy as above described, and should you desire further security in addition to that now held by you, as a guarantee that the road shall be completed to Paspebiac, we will deposit with you a further sum of two hundred thousand dollars of the company's bonds, on payment to us of the last seventy thousand dollars (\$70,000,00), which we have asked you to make payable on miles 60 to 80, said bonds to be returned on completion of the railway to Paspebiac.

I have the honor to be,  
your humble servant

A. M. THOM.

*Secy. Treas.*

Baie des Chaleurs Railway.

To which Mr. Garneau replied as per No. 2 :

No. 2. (COPY.)

QUEBEC, 16th June, 1891.

A. M. THOM Esq.,

*Secretary Treasurer,*

Baie des Chaleurs Railway.

DEAR SIR,

I have to acknowledge receipt of your letter of the 5th June instant, in which you state that greater facilities for building the railway will be absolutely required from the Government on account of the unforeseen difficulties and expenses; and you express the desire that Government should agree to carry out the following mode of apportioning the subsidy, namely :—



That of the seven thousand dollars (\$7,000.00) per mile, payable on the last twenty miles (80 to 100), *three thousand five hundred dollars (\$3,500.00) shall be made additionally payable on each of miles 60 to 80, thus advancing to the Railway \$3,500.00 per mile on the last twenty miles (80 to 100), before they shall have been commenced, and this in order to give you additional assistance to build miles 60 to 80, and I understand you to request that, on the completion of miles 60 to 80, there shall be paid to your company, one hundred and twenty thousand dollars (\$120,000.00) and, two months after the said completion the further sum of seventy thousand dollars (\$70,000.00).*

As regards the last twenty miles, you desire that thirty-five thousand dollars (\$35,000.00) be paid on completion of miles 80 to 90, and the balance of \$35,000.00 when the 100 miles shall have been completed.

*The Government agrees to the foregoing requests, but on the express conditions :*

1o. That no portion of the said Railway shall be held to have been completed until a favourable report shall have been made thereon by an engineer on behalf of the Government as to the condition of the road, the equipment and the bridges ;

2o. That as a guarantee that the road will be completed to Paspébiac, there shall be deposited with the Treasurer of the Province, previously to the payment of the last \$70,000.00, on the completion of mile 80, two hundred thousand dollars, at par value of the company's bonds, equal in value to those already deposited with the Government.

*The foregoing conditions of your letter of the 5th June instant, having been submitted to my colleagues of the Executive Council, they entirely approve of the same and authorize me to write you as above, agreeing to your proposals.*

(Thirteen words struck out are null; two marginal notes approved are good.)

I have the honour to be

Sir,

Your obedient servant,

(Signed)

P. GARNEAU,

*Commissioner of Public Works, and  
Acting Premier.*

The Company exhibited this letter No. 2 to me as evidence, that the Government was willing to secure a contractor who would invest his money and begin the work at once. I therefore closed a contract (No. 3), of which this letter was made a part.

No. 3.

ARTICLES OF AGREEMENT made and entered into this sixth day of July, in the year of our Lord, eighteen hundred and ninety-one,

Between MICHEAL J. HOGAN, of the first part, hereinafter called THE CONTRACTOR, and

The BAIE DES CHALEURS RAILWAY COMPANY, of the second part, hereinafter called THE COMPANY.

That in consideration of the covenants and agreements on the part of the said Company hereinafter contained, the said Contractor doth hereby covenant and agree with the said Company, as follows:—

1. In this contract, the word "Engineer" shall mean the Chief Engineer of the Company, having control over the work.

2. All covenants and agreement herein contained shall be binding on and shall extend to the Executors and Administrators of each of the said parties hereto.

3. The Contractor hereby agrees to build and construct that portion of the Company's located line of Railway to be known as sections K & L, and being at, or about the sixtieth mile from Metapediac, station 3170, on the west bank of the Grand Cascapediac, and extending to station 4228, or a total distance of twenty miles, from the point above first mentioned in accordance with the specifications and descriptions contained in the contract of the Company with the Federal Government, which is for that purpose, made part hereof, and marked "A", subject, however, to the substitution of wooden trestles for culvert masonry at stations 3180, 3587, Pile trestles across flats of Little Cascapedia, and stations 3750, 3796, 4105 & 4148, which change has been approved in the authorized plans herewith marked "B" & "C", and in accordance with such plans as are hereto annexed; the

said work to be commenced forthwith and pushed on vigorously to completion ; the first ten miles to be ready for acceptance by the first day of December next ; the rails to be laid on the second ten miles by January next, and said second ten miles to be ready for acceptance on the fifteenth of June, eighteen hundred and ninety-two ;

4. The Contractor, will, at his own expense, provide all and every kind of labour, machinery and other plant, material, articles and things whatsoever necessary for the due completion of the said work, which is to be constructed of the best materials of their several kinds, and finished in the best and most workmanlike manner, in conformity with plans marked " D " & " E ", and profiles marked " F " & " G ", and bridge plans marked " H " I " J ", & " K ", and to the satisfaction of the Engineer ; but, in the event of a dispute as to the proper execution of the works under this contract, then the parties agree to submit such dispute to the arbitration of the Federal Government's Inspecting Engineer of Subsidized Railways, whose decision shall be final, provided always such reference shall not be allowed to interfere with the progress of the Contractor's work, nor be put forth by him as an excuse for delay.

5. The company will have the right to change the grade and alignment as well as any of the structures from the approved plans attached, subject to :—

FIRST :—Obtaining the approval of both Governments to such change.

SECOND :—Providing additional and sufficient security be given to the Contractor, in case the change increases cost ; but if such change decreases cost, a like diminution to be allowed, provided that change shall not cause delay to Contractor, who shall not be obliged to suspend progress of work.

6. It is distinctly understood and agreed that the amount to be paid by the company for the said work includes all and every kind of work, labour, tools, plant, materials, articles and things whatsoever necessary for the full execution and completion, and making ready for use of said work to the satisfaction of the Engineer.

7. The Contractor shall be at the risk of, and shall

bear all loss or damage whatsoever from any cause, arising out of, or incidental to his work of construction, until the same be finally completed and delivered up and accepted by the Government Engineer, and if any loss or damage occur before the final completion and acceptance, the Contractor shall, at his own expense, restore and re-execute the work so damaged, so that the whole work may be completed within the specified time.

8. The Contractor shall be responsible for any damage claimable by any person or Corporation whatsoever in respect of any injury to person, or to lands, buildings or other property, or in respect of any right whatsoever, occasioned by his performance of the said work, or by any neglect or misfeasance on his part, and shall and will, at his own expense, make such temporary provision as may be necessary for the protection of persons, or of lands, buildings, or other property, or for the enjoyment of all rights or persons, or corporations in and during the performance of said work.

9. In consideration of these undertakings and disbursements by the Contractor, the company agrees to employ a Chief Engineer with such assistance as may be necessary, to set out the work, furnish plans, give grades and alignment, and to do the necessary work required in the engineering of the line contemplated, and the company will be responsible for any neglect or incapacity of its Engineer.

10. The Company will give the Contractor peaceable possession of all lands required for the right of way, sidings and permanent buildings, within such time as may be necessary for the progress of his work.

11. The Company will furnish the Contractor, free of charge, when required, the use of two, or, if need be, three of the best locomotives, and twenty of the best flat cars now on their line, the said cars and engines to be delivered to the Contractor in good order, and to be used by him for the purposes of construction only, and to be returned to the Company in like good order, less ordinary wear, it being understood that the Company guarantee to the Contractor, the free use of the said rolling stock, during the progress of the entire work, and if the Con-

tractor is deprived of the use of the said rolling stock by legal process, or any action of the Company, they are to supply him with an equally efficient and like quantity within ten days, and compensate him for any loss he may have suffered by not having had continuous use of said rolling stock.

12. The Contractor will have the right to run said cars and engines over the Company's lines west of the Cascapediatic River, for the purpose of hauling materials required for works; said rights are in no way to interfere with the regular trains of the company, and the movement of the contractor's trains will be subject to the company's orders while west of the Cascapediatic, in so far as the running of the company's trains are concerned.

13. The company agrees to pay the contractor for the said work, the sum of three hundred thousand dollars (\$300,000,00), by the subsidies hereinafter transferred.

14. The company is now entitled to subsidies on the twenty miles contracted for, as follows:—

FROM DOMINION GOVERNMENT Act. Vic. 52 Chap. 3.	
Section K only .....	\$64,000. \$64,000
PROVINCIAL GOVERNMENT :	
Section, K Act. 45 chap. 23.....	} ...\$50,000.
49 and 50, 76	
Section, L 51 and 52 Vic. c. 91. }	...\$70,000.
Special on bridge, 54 Vic. c. 88.....	\$50,000.
Added to both sections from last 20 miles as per copy of Government letter attached.....	\$70,000. \$240,000

\$304,000

Which subsidies are hereby assigned to the contractor, who will retain therefrom the sum of three hundred thousand dollars as aforesaid.

15. It is hereby specially covenanted and agreed between the parties that the said contractor is obliged to do, furnish, and provide everything that may be necessary for the making and construction of the said twenty miles deliverable to the company at the time specified and accepted by the Inspecting Engineers of the federal and local Government, and in such manner as to fully comply

with all the obligations and requirements of the company for a railway according to the plans and profiles mentioned, shall be finally delivered and ready for acceptance not later than June fifteenth eighteen hundred and ninety two.

16. It is hereby stipulated that the amount to be paid by the contractor for right of way, shall not exceed six thousand dollars ; that for engineering, on the company's behalf, three thousand dollars, and expenditure on temporary repairs to rolling stock, eight hundred dollars, and that the contractor shall make, at this own expense, such temporary repairs to the first sixty miles of this road, as will enable him to use the same for the purpose of this contract, and he shall do these so soon as the company grants him the use and possession of said portion of their road ; but the said company must immediately grant the said contractor, and maintain him, constantly, and at the company's expense in the possession of the said road and roadway, both as to the portion of sixty miles completed, and the portion under construction, and all the rolling stock thereof.

17. That in the event of the right of way over this contract exceeding the cost of six thousand dollars, or said repairs to rolling stock, eight hundred dollars, or should either Governments require additions to the rolling stock already in use, for the acceptance of this twenty miles, or should anything be exacted by said Governments, not contemplated herein, as being part of said contractor's obligation, then the latter shall have the right to supply the same to the satisfaction of the inspecting engineer, and charge such outlay to the company.

18. And for the purpose of securing such disbursements on his behalf, the company agree to allow the balance of four thousand dollars of the subsidies above transferred, to remain in his hands until final delivery of said work. And the company, in order, further, to secure said last mentioned possible disbursements, agree to deposit in trust in a chartered Bank, in Montreal, their bonds to the amount of two hundred and fifty thousand dollars at par, to remain until said last mentioned disbursements are repaid by the company, a delay of six

months being allowed the company from the completion of the work, for such repayments, and in the event of said last named outlay not being paid the contractor, within three months thereafter, he shall have the right to sell the said bonds, to indemnify him for said disbursements.

19. It is understood between the parties that the extra expense that may arise under the last preceding clause, and for which the said bonds are deposited, shall be reasonable and necessary, and shall not be incurred unless absolutely demanded by the Government. The said bonds, or their proceeds, shall be also available to the Contractor as security for any loss or damage he may sustain by reason of any breach of this contract by the Company, or any other default whatever.

20. The said Company will upon the demand of the Contractor, execute all lawful assignments of said subsidies or any of them to him, and this contract shall have all the effect of specific assignments of said subsidies, and the said Company specially authorizes and empowers the said Contractor to sign or endorse the Company's name in acknowledgement and receipt of any or all of said subsidies, and to enforce the Company's name on any cheque or order for the payment of said subsidies, or any of them.

21. And the company undertakes and agrees to sign and execute any further deed or document required by said Contractor to give full effect to this contract.

22. In the event of the company being unable to give the Contractor the use, possession and occupation of the said sixty miles of road and the rolling stock mentioned in articles 11 and 16, the company shall not suffer any liability or be exposed to any damage in consequence of said default up to the first of May, eighteen hundred and ninety-two, but the Contractor shall be entitled to an extension of time for the completion of said contract, equal to the delay caused to his work by said default of the company; but after the first of May, eighteen hundred and ninety-two, should said company be still unable to grant possession, for the purpose of this work, of said sixty miles of road, and the aforesaid stock, then the

company will be liable thereafter to said Contractor for any damages caused thereby—it being understood that any extension of time under this clause shall not go beyond the first of November, eighteen hundred and ninety-two, and that if delay occur, the Contractor shall not be bound to complete the portions as hereinbefore mentioned on the first of December eighteen hundred and ninety-one, and the fifteenth of July, eighteen hundred and ninety-two.

In witness whereof, the parties hereto have set their hands and seals this sixth day of July, eighteen hundred and ninety-one.

Signed, sealed and delivered, }  
in the presence of }

M. S. LONERGAN,

M. J. HOGAN.

D. MACMASTER,

THE BAIE DES CHALEURS RAIL-

WAY COMPANY,

JAMES COOPER,

*President.*

Works were pushed rapidly with a view to completion on time. I had no special difficulties with the company as my progress or arrangements in no way depended upon them. Some time during August or September the celebrated Baie des Chaleurs scandal was unearthed, but as I noticed that no portion of the subsidies on which I relied had been touched or diverted in any way from their purpose, I saw no reason to slacken my speed, but pushed on working over the whole twenty miles while usually contractors for subsidised roads confine themselves to ten mile sections. In this case the company asked me to push the work on the whole twenty miles and they had no doubt that a reasonable advance would be made to me at the close of the working season of 1891,



even if no portion of the road was actually complete. The following letter No. 4, was written to Mr. Mercier on the 9th December 1891 :—

NO. 4, (COPY.)

BAIE DES CHALEURS RAILWAY

LITTLE CASCAPEDIAC, December 9th, 1891.

The Honorable HONORÉ MERCIER,

*Prime Minister &c.*

*Province of Quebec.*

DEAR SIR,

About the beginning of August last I entered into a contract with the Baie des Chaleurs Railway Company, James Cooper President, to construct a section of this railway, viz from the 60th to 80th mile, or from the west side of the Grand Cascapediae to a point about 2 miles east of Caplin Church.

A copy of this contract was forwarded by mail to your provincial secretary the Hon. Mr. Langelier about the 26th October, to which please refer for further particulars as to my obligations &c. under said contract.

The 20 miles undertaken by me embraces by far the heaviest work on the line. Amongst other points I might mention bridges over the Grand and Little Cascapediae rivers, with a series of swamps and streams east of latter, the heavy rock cutting around the Black Capes, with a number of very deep gorges over which I am constructing pile trestle bridges.

You will notice from the following brief statement that the works are in a forward condition at this date :

1st The whole line is graded.

2nd. Grand Cascapediae Bridge is completed and ready for superstructure (construction trains have been crossing it for some time.)

3rd. Iron for superstructure of this bridge (a combined rail and highway) is all delivered on the site and men are expected to morrow to begin raising.

4th. All steel rails, fish plates, bolts, and spikes for 22

miles of track was delivered about two months ago at west side of the Grand Cascapediae river ; the track is laid and construction trains running to 12th mile east of Grand Cascapediae.

5th. Every dollar of right of way has been paid over my contract, with the exception of 4 cases in Caplin amounting to about \$120, and 3 or 4 in New Richmond. The parties are either absent or are not in a position to give titles at the moment, and there is absolutely not a single disputed or outstanding claim that I know of for labor, materials, or in any way connected with these works.

Might I ask that you will kindly send down your inspecting Engineer to verify the foregoing before there is very much snow, so that you may be in a position to fairly consider an application which I propose making, viz:—that you will make me a reasonable advance against all works done and materials delivered to date.

Should it be convenient to send your engineer down at an early date, say beginning of ensuing week, and he will communicate with me about time of leaving (weather and roads permitting at all) I will send a locomotive for him.

Yours truly,

(Signed). M. J. HOGAN,

To which the Premier and Mr. Garneau replied, see letter No. 5 and telegram No. 6.

No. 5.

Cabinet du premier ministre

Province de Québec.

QUEBEC, 15th December 1891.

SIR,

I have the honor to acknowledge receipt of your letter of the 9th inst. in reference to the work done by you on the Baie des Chaleurs Ry., and in answer to in-



closing copy of the contract between the "Baie-des-Chaleurs" R'y Co'y and Messrs. M. J. Hogan and Co. for the construction of that portion of said railway extending between the 60th and the 80th miles.

I have taken communication of that document, and I may say that the transfer therein made to the contractors of the subsidies granted by the Legislature of Quebec to that railway company on that same portion of its railway, is sufficient to all intents and purposes, and I will remit that contract into the hands of the Honorable J. S. Hall, the Treasurer of the Province, in order that he may take note of the contents thereof and deposit same with his Department. The copy of that same contract, which you had sent to the Honorable Mr. Mercier, the late "Premier," has been by him referred to me, and I now hold that copy into my hands.

I remain, Gentlemen,

Your obedient servant,

E. MOREAU,

Director of Railways.

No. 8.

L. E. No.	1725,	}
L. R. "	647,	
" " "	658,	
" " "	1753,	

DEPARTMENT OF PUBLIC WORKS,  
RAILWAY OFFICE.

QUEBEC, 13th, February, 1892.

MESSRS. MACMASTER & MCGIBBON,

*Advocates, etc.,*

MONTREAL.

GENTLEMEN :

The Honorable Charles Langelier, the Ex-Provincial Secretary, having referred to this Department your letter to his address, of 26th October last, enclosing copy of the contract executed between the "Baie des Chaleurs R'y Company," and Mr. J. Hogan for the construction of 20 miles of that road, extending between the 60th and 80th miles, inclusive, I beg to inform you that I have submit-

ted that contract for the examination of Mr. L. A. Vallée, the Government Engineer in the employ of this Department, and that he has reported to the Honorable the Commissioner, amongst other things, as follows :

“ That, by that contract, Mr. Hogan obliges himself towards the company, under certain conditions therein mentioned, to complete the first ten mile section on or before the 1st December 1891, and the second ten mile section on or before the 15th June 1892 : the whole according to the plans, specifications, details and other conditions contained in the articles of agreement entered into between the company and the Federal Government ; that mention is made in Mr. Hogan’s contract of certain temporary repairs to be made on the first 60 miles of that railway, but that no reference is made therein of permanent works to be executed on those 60 miles, in order to put same in good running order ; that, by the order in Council passed under No. 237, of 23rd April last, the company,—as reorganized,—obliged itself towards the Government to complete and put into good running order, on or before the 31st December 1892, the 100 miles of that railway extending between Métapediac and Pasbébiac ; and that with respect to the payment of the proportion of the subsidies appropriated by the Quebec Legislature towards the construction of the 20 miles contracted for by Mr. Hogan, and transferred to the latter, to a total amount of \$240,000.00, the terms of said contract are in conformity with those of the above order in Council.

*Now it is well that you should be informed, with regard to the \$70,000—transferred to both sections (between 60 and 80)—from last twenty miles, as per attached copy of Government letter to Mr. Thom, the Secretary of the Company, dated 16th June last, out of the \$240,000.00 of the Provincial Government subsidies, so transferred to Mr. Hogan by the contract alluded to, that the payment of these \$70,000 will be made when the works are completed, to the satisfaction of the Government Engineer, on the 20 miles contracted for, in accordance with the terms of the above letter to Mr. Thom, and subject to the sanction by the Legislature of Quebec of the measure which the then Government pledged itself to lay before the House, at its next session, to authorize the doubling up of those \$70,000 of subsidies on said*

20 miles, under the condition already agreed upon between the ex-Government and the Company.

In the meantime, we will, as requested, have these documents recorded in the Railway Office of this Department, and in the Treasury Department, in order that note may be taken of the contract and of the transfer of subsidies thereby made in favor of Mr. Hogan, without, however, considering the Government bound by the terms thereof.

I have the honor to be,  
Gentlemen,  
Your obedient servant,  
E. MOREAU,  
Director of Railways.

Works were suspended of necessity during the winter 1891-2, but on the approach of spring, I felt the importance of having a clear understanding with the present Government before proceeding further, and I wrote the Hon. Mr Nantel the following letter.

No. 9.

M. J. HOGAN,  
*Railway Contractor.*

BAIE DES CHALEURS RAILWAY.

Montreal, 22nd March 1892.

(COPY.)

Hon. G. NANTEL,  
*Commissioner Public Works.*  
Quebec.

DEAR SIR :—

The Baie des Chaleurs Railway Co. entered into a contract with me, a copy of which contract was furnished to your Department, dated in July last, by which I undertook to construct twenty (20) miles of the B. C. Ry., from the Grand Cascapedia east-wards towards Paspébiac. I

am obliged to do all works, and furnish all material, including steel rails and fastenings, put up station buildings, and to construct what is known as a combination bridge over both branches of the Grand Casapediac river, viz:—A bridge designed to answer for Railway and Highway traffic purposes.

The 15th June next is the time named for completion, and the Company has transferred to me certain subsidies to which they are entitled on the completion of each ten (10) miles, and a special subsidy in re Grand Casapediac bridge \$50,000.

I began work in August last, but I did not confine my operations to a ten (10) mile section, but pushed on vigorously over the whole contract.

I imported at once all the rails, plates, bolts, spikes &c required for the main line and sidings amounting to about \$60,000, with the result I am glad to say that at the close of the season in December my contract was in a very forward condition, viz:—

- 1st: The whole line was graded except one cutting.
- 2nd: Track was laid and construction trains running over 12½ miles.
- 3rd: The combination bridges over both branches of the Grand Casapediac are now complete, except wooden flooring for highway road. These bridges are fine structures, built from a design approved by the Dominion Government. The piers are solid masonry, and the steel superstructures were furnished to me by the Dominion Bridge Co. Montreal.

I have acquired and paid for the Right of Way along the whole contract, except four (4) cases in Caplin, where the parties were absent, &c., There is not to my knowledge a claim of any kind unpaid in connection with my contract.

Might I ask that you will take steps at your earliest convenience to verify what I have stated, and on being satisfied, that you will recommend a payment to me at an early date, on account of Grand Casapediac Bridges.

Yours very respectfully,

M. J. HOGAN.

The following letter, No. 10, from Mr. Moreau, was the reply :

No. 10.

L. E. No. 1771—	} DEPARTMENT OF PUBLIC WORKS, RAILWAY OFFICE.
L. R. " 1753.91	
" " " 339.92	

QUEBEC, 24th March, 1892.

M. J. HOGAN, Esq.,  
*Railway Contractor,*  
*Baie des Chaleurs R'y., Montreal.*

SIR :

I am directed by the Honorable the Commissioner to acknowledge receipt of your letter, dated 22nd instant, and, in reply, to state that I have taken note of all the statements therein contained ; but, having already replied to you by telegram, in answer to a previous request on your part to obtain an advance, out of the subsidies appertaining to that railway company, on account of the value of the works you had executed, under your contract with said company, on the section of that railway extending between the 60th and 80th miles, that such a demand for an inspection by the Government Engineer, and for his report upon your works, should originate directly from the President of that company, I regret not being able to accede to your request, and I would advise you to address yourself to the President, or Secretary, of that Company, in order that they may themselves directly apply to the Honorable Commissioner for such inspection and report.

I have the honor to be, Sir

Your obedient servant

E. MOREAU,

*Director of Railways.*

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I had an interview with Mr Nantel at Quebec on 9th of April, the result of which is set forth in a letter to Mr Cooper.—No. 11.



(Copy)

No. 11.

## BAIE DES CHALEURS R'Y.

Cote St Antoine, Montreal, 11th April 1892.

JAMES COOPER, Esq.,

*President, Montreal.*

DEAR SIR :

*In re Baie des Chaleurs Railway subsidies*, as suggested in your letter of 17th November, 1891, I wrote the Quebec Government in December, asking for a progress inspection of the works done to date; this was not done. I wrote again to the same effect, with Mr. Thom's consent, and gave him a copy of the letter. On 22nd March Mr. Thom, acting for the company, confirmed my last application in a note to Mr. Moreau, the director of Railways for the Province of Quebec. I called on Mr. Moreau 28th, and was informed by him that the matter would be laid before the minister and possibly an inspection ordered soon. Nothing being done I wrote Hon. Mr. Nantel 6th April, repeating my request, or the favour of an interview. I had in the meantime seen both yourself and Mr. Thom and told you of my intention of calling on the minister if no action was taken, of which I understood you approved. I saw Mr. Nantel in Quebec on Saturday, 9th inst. He appeared to have studied the B. de C. question carefully, and promised to give it further attention. He expressed great willingness to do all in his power to get the work along, but I regret to say that he takes a stand in reference to my position as contractor regarding the subsidies transferred to me by you which if persisted in, may have serious consequences for me. Mr. Nantel is of opinion that the Government will hold that the subsidies transferred to me are not payable on the completion of my contract, as agreed with you; that the Government will insist on the completion and equipment of the first 60 miles before paying any portion of the subsidies of my contract. He thinks the law exacts this, and I am sorry to say that he expressed the opinion that it was equitable under the circumstances. He

informed me that a communication would be addressed to you on the subject. I hope it will turn out that the Hon. Commissioner of Public Works is mistaken and will reconsider the matter. You will agree that this position is very different from what you led me to understand when I undertook the work. You said the subsidies were specific for the Sec. I took, and would be paid without reference to any other portion of the line ; but you said in any case the 60 miles would be completed quickly after you got possession of the road, and I relied on you personally in the matter.

I have with my partner, Mr. Macdonell, spent about \$200,000 without asking any question, having, as you know, furnished every dollar that was spent on the work and paid some old claims besides. I have not received anything as yet. Of course, I must now suspend all works, which will involve heavy loss, and many complications. I am not embarrassed financially and am perfectly willing and able to go on and finish my contract on receiving written assurance from the Government that I will be paid in accordance with my contract. You will admit that I cannot continue while the question of my being paid or not depends on your company fulfilling certain obligations which are beyond my control. I hope you will save all trouble by satisfying the Government at once (this could be done doubtless by a deposit of money or other security) that you will in good time complete the 60 miles. You could in that way obtain for me recognition of my claim. I would complete my contract while you repaired the 60 miles, giving 80 miles complete early in the season. I will endeavour to keep back my contemplated suspension of work for about 10 days in which time I hope an arrangement will be made. I am very strongly of opinion that the subsidies on the 60 miles should not have been paid until work was complete and why hold subsidies of another section against it.

Yours truly,

Signed

M. J. HOGAN.

And a letter to Mr. Nantel—No. 12, (enclosing copy of letter No. 11, to Mr. Cooper) brought from Mr. Nantel a telegram No. 13, acknowledging that my report to Mr. Cooper—letter No. 11,—of the interview I had with him, (Mr. Nantel) was correct.

No. 12, COPY.

BAIE DES CHALEURS RAILWAY,  
Cote St. Antoine, Montreal, April 11th, 1892.  
HON. G. A. NANTEL,  
*Commissioner of Public Works,*  
*Quebec.*

DEAR SIR,

The stand you take in re my position on the Baie des Chaleurs Railway, affects me so seriously, that I wrote Mr. Cooper this morning, on the subject, (copy enclosed). I believe Mr. Cooper has been exerting himself in re Baie de C. matters since his return from England.

I trust after seeing Mr. Cooper you will be able to give me the necessary guarantees to enable me to complete the work promptly. Unless I can open up fully with the season, say two weeks from now, there will be great loss to the works, and confusion for the people.

Your respectfully,  
(Signed) M. J. HOGAN.

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No. 13.

TELEGRAM.

To Mr. J. HOGAN,  
*Metcalf Avenue,*  
*Constructeur du Chemin de*  
*Fer de la Baie des Chaleurs.*

Quebec, April 13th, 1892.

Je vous approuve d'avoir écrits comme vous l'avez faits à M. Cooper et compagnie. Presez les fortement

pour qu'ils complètent sans retard les soixante milles de chemin de fer, qu'ils devaient compléter

G. A. NANTEL.

To which I replied by this letter (No. 14,) to Mr. Nantel :

COPY No. 14.

BAIE DES CHALEURS RAILWAY,

Cote St. Antoine, Montreal, April 13th, 1892.

HON. G. A. NANTEL,

*Commissioner of Public Works,*

*Quebec.*

DEAR SIR,

Thanks for your despatch of this morning. I am greatly encouraged to see that your department is taking an interest in urging speedy completion of the Baie de C. Railway. As stated in previous communications, I am ready to carry out my contract to the letter for the company. Mr. Cooper has not replied to my letter yet, but I hope he is doing something. He has most likely received a communication containing your views of the situation by this time. The heaviest item on the 60 miles will be the four iron bridges, and some time will be required to manufacture and erect them even if ordered now. Your Engineer Mr. Vallée can tell you closely the value of, and time required to construct these. I have called Mr. Cooper's attention to the matter continuously since I began work for them. I was obliged to put in temporary trestles to get over these rivers with my rails &c.

I am ready at anytime to accommodate, and assist the company or the government in any way I possibly can to complete the road, and put the whole enterprise on a better footing. I am not seeking further contracts, and would much prefer if somebody else would take up the completion of the 60 miles, and the building of the last 20 miles. I would be willing to step out of my present contract without profit, on being refunded my actual outlay, every dollar of which was spent under my personal supervision, and to the best possible advantage. There is

therefore good value for the money. I am equally ready as said before to devote my best energies to the work for the next season. I took this contract from the company on a small margin of profit, considering the subsidies transferred were as good as cash. I expected to draw about 70 % of my money last December. I am now carrying \$200 000 outlay on this matter, the interest on which, will in a short time eat up any profit I expected to make.

This is a personal matter; excuse my troubling you with the statement, but my object is to put you perfectly *en courant* with my position. You will see that I am not in the way of any arrangements the Government or the company may wish to make.

Yours truly,

(Signed) M. J. HOGAN.

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I received from Mr. Nantel a courteous and encouraging answer.—No. 15 :

No. 15

DÉPARTEMENT DES TRAVAUX PUBLICS

Québec, 14 Avril 1892.

M. J. HOGAN, Ecr,

*Entrepreneur de chemins de fer,*

Côte St. Antoine, Montréal.

CHER M. HOGAN,

Vous ne pouvez douter un instant de notre bon vouloir à l'égard d'un contracteur aussi sérieux et aussi entreprenant que vous l'êtes. Pour ma part, je suis bien décidé à vous aider dans toute la mesure de mes pouvoirs. Dans cette fin, je ne puis trop vous recommander de presser fortement et par tous les moyens MM. Cooper et Co d'avoir à se mettre à l'œuvre immédiatement. Si vous pouvez les aider, tant mieux pour vous, pour ces Messieurs et pour le Gouvernement lui-même. Si nous avons une garantie sérieuse que les 60 milles seraient complétés au désir de la loi, nous pourrions peut-être, sans trop de retard, vous

recommander pour une avance par le Trésor. Cette garantie devrait être en un dépôt mis à notre disposition et qui serait employé sur le chemin de fer au bout d'un certain délai très court, dans le cas où la compagnie ne ferait pas elle-même ces travaux. Veuillez croire que je suis bien déterminé à pousser cette affaire le plus vite possible, et j'espère que vous seconderez nos efforts.

Bien à vous,

G. A. NANTEL,  
*Commissaire T. P.*

Mr Cooper not having answered my letter of 11th (No. 11), I wrote to him again on the 19th.—Letter No. 16 :

(Copy)

No. 16

BAIE DES CHALEURS RY.

Cote St. Antoine, Montreal, April 19th 1892.

J. COOPER, Esq.,

*President*

*Baie des Chaleurs Ry, City.*

DEAR SIR :

I wrote you on the 11th inst. telling you exactly the steps I had taken at your request and the result to get from the Government a payment on account of work done on my contract &c., and suggesting steps I hoped you would see fit to take in the matter. I have no reply from you as yet. Would you please give me an answer to-day by the bearer my paymaster Mr Lunn. I am pressed very hard indeed by my agents on the works for instructions which I cannot give until I am informed what arrangements you have made with the Government to secure me.

Yours truly,

(Signed)

M. J. HOGAN.

Mr. Cooper would not answer, but referred my messenger to Mr. Thom, and, I wrote that gentleman on the 20th, delivered by my paymaster. See letter No. 17 :

COPY No. 17.

BAIE DES CHALEURS RAILWAY,

Cote St. Antoine, Montreal, April 20th, 1892.

ANGUS THOM, ESQ.

*Secretary**Baie des Chaleurs Ry. City.*

DEAR SIR,

Referring to my letters of the 11th, and yesterday's date addressed to Mr. Cooper, I tried several times this afternoon to speak to you by telephone from my house, but your people replied, you were engaged &c: My object was to ask you if you would be good enough to state in writing about the time at latest you can get for me from the Government an answer. Whether or not I will be paid in accordance with contract &c. You will see how reasonable this request is when I tell you that success or failure of my seasons operations depends largely on arrangements I must make in the next few days. I have such expensive men as steam shovel operators, engine drivers, masons and stone cutters, foremen &c., under engagements for the 1st May. These men will be leaving their homes in a few days for the works, they will be entitled to work or damages, and my reputation will suffer seriously in either case.

I quite appreciate the difficulty you may have (although it surprises me), in getting an interview with the Hon. Commissioner of Public Works, and I am willing to assist you in every way in my power, consistent with honest methods, and the interest of my friends who have supplied me money to carry on this work. In fact I will do anything in reason to preserve our heretofore friendly relations; but I must remind you that I urged you months ago to take up seriously what I thought might be exacted of you later. Indeed at the signing of the contract I got the most solemn assurance from yourself, Mr. Cooper and Mr. Lonergan, that if I would furnish the money and push the work on quickly, you had first class financial arrangements for the whole scheme as soon as you obtained a Dominion Charter. I had interviews with you during the past winter when I urged these same

questions. Onetime you asked me to wait the result of negotiations with capitalists, and at another time to wait result of elections, both of which I thought were reasonable. Since the 8th of March, a matter of six weeks, the whole time has been spent pressing these matters upon yourself and Mr. Cooper. Assuredly you could have obtained for or given me an answer one way or the other sooner. The course you are now persuing, and wearing me out while the time to arrange for the working season passes, amounts to bad treatment by you of myself and my friends who furnished money and services to carry on these works for your company.

I trust you will give me an answer to-morrow that will in some way help to guide me in this emergency. There is surely some action that your company can take which does not depend entirely on the answer you get from the Hon. Commissioner.

Yours truly,

(Signed) M. J. HOGAN.

He replies next day. See letter No. 18 :

No. 18.

Montreal, April 21st 1892.

M. J. HOGAN, Esq.,

Cote St. Antoine, Montreal.

DEAR SIR :

With reference to our conversation by telephone of this morning, I would say that I had some conversation with Mr Cooper, and he is determined that a prompt interview shall be had with the Honbl. Commissioner of Public Works, when the position can be fully discussed, and he hopes a modification of strict lines mentioned to you be obtained. The result of the interview will be communicated to you.

I leave town for a day on Baie des Chaleurs matters, and on my return, will proceed to Quebec.

Your truly,

A. M. THOM.



Of course Mr Thom gave me no report of his interview if he had one ; so at this time the position was embarrassing for me, as neither the company or the Government seemed ready to move in a direction to allow my work to proceed, unless I took chances of waiting for my pay until the company by arguments *only* would convince the Government that they were able and willing to fulfil their obligations, or until the company could get the modification Mr. Thom hoped for.

At the time of closing my contract, I relied implicitly on the letter signed by the Minister of Public Works and Acting Premier—acting, too, in this respect with the full concurrence of his colleagues. I considered this assurance unquestionable.

Later, when difficulty arose, I submitted the whole question to my counsel, Mr. Donald Macmaster, Q.C., and received the following opinion from him :

No. 19.

THE TEMPLE,

MONTREAL, May 2nd, 1892.

Messrs. M. J. HOGAN & Co.,

*Contractors,*

Montreal.

DEAR SIRS,

I have, at your request, examined the contract which, on the sixth of July last, your Mr. Hogan entered into with the Baie des Chaleurs Railway Company, for the construction of a portion of the said Railway, namely :

1st. The bridge across the Grand Cascapediac River.

2nd. Two ten mile sections of the said road, namely from the 60th to the 70th mile designated section "K", and from the 70th to the 80th miles designated section "L".

The company agreed to pay Mr. Hogan for the said work the sum of \$300,000.00, and expressly declared in the contract that it was entitled to receive the following subsidies in respect thereof:—

## FROM THE GOVERNMENT OF CANADA

On section "K" from the 60th to the 70th mile. \$64,000.00

## FROM THE GOVERNMENT OF QUEBEC :

Section "K" 60th to 70th mile.....	\$55,000.00	
Section "L" 70th to 80th mile.....	70,000.00	
Special subsidy for Grand Casca-		
pedia bridge.....	50,000.00	
Added upon said sections "K" &		
"L" as per agreement with		
the Government of the Pro-		
vince of Quebec .....	70,000.00	\$240,000.00
		<hr/>
		\$304,000.00

These subsidies were expressly assigned to Mr. Hogan, who was authorized to retain therefrom the sum of \$300,000.

Before entering into the contract with the company Mr. Hogan looked into the contract entered into by the company with the Government. He found that the contract was entered into in virtue of an Order in Council of the Executive Government number 237 of the Province of Quebec, dated 21st April, 1891, and approved by the Lieutenant-Governor on the 23rd of the same month.

From this Order in Council it appears that a number of financial men residing chiefly in the City of Montreal proposed to acquire the stock and control of the late Baie des Chaleurs Company; to reorganize the company, and enter into a contract with the Provincial Government for the construction of the line. The promoters are, by the Order in Council, declared to "have the necessary means to carry out the enterprise as required by the statute 54 Victoria, cap 88 section 1 sub. sec. J, and it was declared in the said Order to be "in the interest of the Province of Quebec" to accept the propositions made to the Government.

The Order may be found at page 27 and following of the report of the Baie des Chaleurs Commissioners.

It appears from the conditions mentioned in the said Order in Council (Royal Commissioner's Report page 29)

" that the balance, to wit, \$260,000.00 of the subsidies granted to the said company by 45 Victoria Cap. 23 and its amendments 51-52 Victoria Cap 91 section 12, shall be paid to the company in proportion as the same shall have been earned according to Law ".

The sum of \$260,000.00 here referred to is made up of the \$7,000.00 per mile Provincial subsidy applicable from the 60th to the 100th mile of the Railway, amounting to \$280,000.00 less, however a sum of \$20,000.00 already paid, and it will be observed that these subsidies are payable in proportion as the same shall have been earned.

The second condition provides that the subsidy of \$50,000.00 granted by the Statute 54 Victoria, Cap. 88 sec. 1 subsec I, shall be paid to the company, as soon as the bridge over the Grand Cascapedia River shall be completed and accepted by the Lieutenant Governor in Council upon the report of the Government Engineer.

The third condition expressly provides "that the Government binds itself to pay the company the subsidy of 800,000 acres of land granted by the Statute 54 Victoria, Cap. 88, sec. 1 subsec J, converted into money, which subsidy shall be kept by the Government, and employed by it to pay the actual debts of the Baie des Chaleurs Railway ; and the surplus, if any, shall be, after the payment of all claims, actually existing against this company, kept by the Government, which will render an account thereof to the company in final settlement."

I understand that you raise no question with regard to the subvention of 800,000 acres land, or its conversion into money. You are not entitled to receive any portion of it under your contract, and I simply refer to it here to emphasize the fact that the re-organized company appeared to be amply subsidized to carry out the terms of their contract according to law and the Orders in Council. The subsequent disclosures as to the subversion of the larger portion of the converted subsidy of 800,000 acres in land have nothing whatever to do with the subsidies, which you have now the right to claim.

In virtue of the Order in Council and the Statutes

you have, on the completion of each ten mile section, the right to claim the subsidies applicable to it.

Under your contract with the company and the Order in Council, you would be entitled to claim from the Provincial Government :

\$7,000 per mile on the ten miles 60 to 70 less	
\$20,000 previously paid to Armstrong ...	\$50,000,00
\$7,000, per mile on the ten miles 70 to 80.....	70,000,00
For the Cascapedia Bridge.....	50,000,00
The Dominion subsidy still unpaid on section	
" K " above referred to.....	64,000,00
	<hr/>
	\$234,000,00

The manner in which these subsidies, both Provincial and Federal, are made applicable to particular sections of the road, may be found in a carefully prepared table at page 16 of the Royal Commissioners' Report.

The subsidies to which the company is, by Statute entitled, under the contract, therefore amount to \$234,000, But in addition to these, Mr. Hogan found, on examination of the agreements existing between the company, and the Government of Quebec, that the latter had agreed to allow the subvention applicable in respect of miles 80 to 100 to the extent of \$70,000.

The reasons for this may be seen in Mr. Thom's letter of the 5th June, 1891, at page 211 of the Royal Commission Inquiry, and the reply of the Honorable Mr. Garneau, the Commissioner of Public Works, and acting Premier of Quebec, is at pages 212 and 213 of the same inquiry.

Mr. Thom's letter sets out the reasons at length why \$70,000,00 of the subvention applicable to the last twenty miles should be anticipated and applied upon the sections from 60 to 80.

Mr. Garneau, in reply, makes the concession "in order to give you additional assistance to build miles 60 to 80." Mr. Garneau also closes his letter with the following significant sentence : "The foregoing conditions of your letter of the 5th June instant *having been submitted to my colleagues of the Executive Council, they entirely approve*

*of the same, and authorize me to write you as above agreeing to your proposals."*

The faith of the Executive Government upon the word of the acting Premier and Commissioner of Public Works was therefore pledged in the most solemn way to the company that the subvention of the \$70,000,00 referred to would be applied on the sections between 60 and 80. Mr. Garneau too, recognized the propriety of prompt legislative action, and two days after addressing his letter to Mr. Thom, he directed Mr. Moreau, the Director of Railway to instruct the Provincial Treasurer to insert in the estimates to be laid before the house at its next session an amount of \$70,000,00 to be paid to the company. This letter may be found at page 546 of the Royal Commission Inquiry, and is so important that it is inserted at length:—

(Copy.)

DEPARTMENT OF PUBLIC WORKS.

Railway Office.

QUEBEC, 18th June, 1891.

H. T. MACHIN, Esq.,

*Assistant Treasurer, P.Q.*

QUEBEC.

DEAR SIR, —

I am directed by the Honourable the Commissioner and acting Premier to enclose you herewith a certified copy of a letter he has addressed on the 16th instant to Mr. A. M. Thom, the Secretary-Treasurer of the Baie des Chaleurs Railway Company, and by which the Government has agreed to his proposal to transfer and apply to the section of that Railway extending between the 60th and 80th miles and to pay to the Company two months after said completion, an amount of seventy thousand dollars out of the two totals of the first 35 cents of its land subsidy, converted into money, under the Acts 45 Vict., chap. 23, section 1 par. b. and 51-52 Vict., chap. 9, section 12, and which amount of subsidy

(\$70,000) would otherwise, under the actual legislation be earned by them only on the completion of the two last twenty miles between the 80th and 100th miles on the section extending from Metapedia to Paspébiac. In consequence of the above acceptance of such proposal you will be kind enough to take note of it and insert in the estimates to be laid before the House at its next session, an equivalent amount of \$70,000, to be paid to that Company under the above conditions, during the fiscal year ending 30th June, 1892. At the same time the Government will take care that the necessary legislation be adopted during the next session to legalize such transfer and payment of \$70,000.

I remain, dear sir,

Your obedient servant,

(Signed) E. MOREAU,

Director of Railways.

Seeing the provisions of the Federal and Provincial Statutes; the Order in Council; seeing the letter of Mr. Garneau; his instructions to the Provincial Treasurer, and, moreover, seeing the additional letter written by Mr. Moreau on the 24th April, 1891, and addressed to Mr. Thom, Mr. Hogan did not hesitate to enter into the contract with the Company.

The last letter by Mr. Moreau to Mr. Thom is also so important, when taken in connection with the Order in Council 237, that it is here inserted at length.

(Copy.)

QUEBEC, 24th April, 1881.

A. M. THOM, Esq.

*Baie des Chaleurs Railway.*

DEAR SIR,

I have to acknowledge yours of this date in which you ask me to state whether the subsidies to be paid your Company, in compliance with the terms of the Order in Council No 237, dated 23rd instant, are to be paid in the following manner:—

1. \$50,000 on completion of the bridges across the Grand River Cascapediatic, in accordance with paragraph 1 of 54 Vict. Chap. 88.

2. \$50,000 on completion of the tenth mile section between miles 60 and 70.

\$70,000.....do .....do.....70 and 80

\$70,000.....do.....do.....80 and 90

\$70,000.....do.....do.....90 and 100

---

\$260,000.

3. The second 35 cents per acre on the 200,000 acres earned on the first 20 miles to be paid as provided by law.

4. The balance unexpended of the 800,000 acres of land voted last session converted into cash at 70 cents per acre, after payment of the claims as stipulated in the said Order in Council No. 237, to be paid according to law and to the terms of said order.

In reply I am to state that the above subsidies (according to Section 5 of the Act 52 Vict., chap. 86, and to the other Acts referred to in said Order in Council) are to be paid in the manner above described, in conformity with the terms and Order in Council.

I remain, Your obedient servant,

(Signed) E. MOREAU.

Director of Railways.

Mr. Hogan has an assignment of the subsidies mentioned to the extent of \$304,000.00 from the company under his contract.

In view of the foregoing facts, it is submitted, first, that Mr. Hogan is entitled to the subsidy for the grand Cascapediatic Bridge, on its completion, and acceptance by the Government Engineer. Secondly that he is entitled to the subsidies in respect of the two sections, from the 60th to the 70th mile, and from the 70th to the 80th mile, on completion of each section.

The Provincial Statute, 49-50 Victoria, chapter 76, section 4, provides :—

"4. The subsidy in land granted by the said Act 45 Victoria, chapter 23, or any subsidy in money, or part in money and part in land, which may be substituted therefor by this act will be payable to the company entitled thereto in the following manner :

1. No such subsidy shall become due or payable for any part of the road less than ten continuous and uninterrupted miles completed.

2. The company interested shall give notice to the commissioner of Agriculture and Public Works of the fact that *such portion* of its road is ready for inspection by the Government Engineer, and request such inspection, and report.

3. Such company shall further comply with all provisions of law touching such inspection and report and the cost thereof."

The Royal Commissioners in their report, page 39, referring to this Statute and other Statutes on the same subject, also therein referred to, declare that:—"the general statutory law of the Province makes subsidies payable according to the progress of the work on each ten miles."

The second subsection of section 4 providing that "the company interested shall give notice to the Commissioner of Agriculture and Public Works of the fact that *such portion* of its road is ready for inspection by the Government Engineer" expressly refers to the *ten mile section* mentioned in the preceding subsection.

The subsidy of \$70,000.00 doubled back from miles 80 to 100 upon miles 60 to 80, of course, cannot be paid without legislation. "Mr. Mercier admits this, and states that the error was to be remedied by the Legislature." Royal Commissioners' Report page 100. It does not appear, however, to have been an error, as Mr. Garneau, the Acting-Premier seems to have recognized at once that legislation in this respect, was necessary, and so instructed Mr. Machin, the assistant-treasurer.

Application should, therefore, be promptly made to the Provincial Government to introduce legislation to give effect to the agreement entered into by your Mr.



Hogan in good faith, upon the pledge of the Acting-Premier and executive Government of the Province.

The subsidies, which you are clearly entitled to claim under the Public Statutes and under the order in Council, upon the completion of the "portions of the work" referred to in the Statutes amount to \$234,000.00, which includes of course the Dominion subsidy of \$64,000.00.

The Provincial Government, and the Legislature of the Province, will, I have no doubt, come to your relief, and legislate to enable the payment to you of the \$70,000.00 doubled back upon miles 60 to 80. Indeed, the faith of the executive Government could hardly be pledged in more express terms to take such action.

Yours obedient servant,

D. MACMASTER.

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Nothing was done by the company until the 3rd of May, when I accidentally met Mr. Cooper in Quebec. He was there to talk the matter over with the ministers I understood, and I believe it was suggested to him that I might be present. Baie des Chaleurs matters were discussed fully with Messrs. Nantel, Hall and Casgrain. Nothing was done of a definite character, but a proposition of Mr. Cooper's, that the Government should proceed at once to complete the first 60 miles for the company out of subsidies remaining in their (the Government's) hands, was taken under consideration, and Mr. Cooper was asked to submit said proposition in writing, which I believe he did. It was suggested by Mr. Cooper, and I think concurred in by the Ministers, that if his proposition was considered I would be the proper contractor to do the work, provided my terms were satisfactory. The next morning I wrote the Hon. Commissioner of Public Works this note No. 20.

ST. LOUIS HOTEL, QUEBEC, May 4th 1892.  
THE HON. G. A. NANTEL,  
QUEBEC.

Referring to our interview of yesterday Mr. Cooper informs me that he addressed a letter to you requesting you to take steps to complete the first 60 miles of the Baie des Chaleurs Railway, etc. and I understood you to say yesterday you would like me to submit an estimate for the work to be done. That would involve my going over the line personally, which I am ready to do at once if you think there is any likelihood of the Government acceding to Mr. Cooper's request to do this work for him provided my estimate is acceptable all around.

Kindly give me a reply at your earliest convenience.

(Signed)

M. J. HOGAN.

To which the minister very kindly replied, letter No. 21.

No. 21.

QUEBEC, 6th May, 1892.

M. J. HOGAN, ESQ.,  
*Railway Contractor,*  
St. Louis Hotel, Quebec.

DEAR SIR,

I have received the letter of Mr. Cooper to which you refer. It is useless to expect that the Government will take upon itself to complete the 60 miles that preceded the 20 miles which you have undertaken. I must tell you, however, that we are anxious to see the road completed, and, as I believe you are in a better position than anybody else to do this work, I would ask you to proceed on the spot, examine the line and submit us an estimate as to the probable cost of the work remaining to be done.

Upon the amount of subsidy coming due to the

Company from the Federal Government and the amount we actually have on hand ourselves, it may be possible. I hope, to give you all the necessary guarantees of payment.

*I am convinced that you will not lose sight of the fact that the completion of the first sixty miles is, so to say, an essential condition, in my opinion, to the payment of the subsidies which you have so far earned on your contract.*

I remain, Dear Sir,

G. A. NANTEL,

P. W. C.

I took the first train and lost no time in going over the work carefully, and prepared the following offer (No. 22), which I submitted :

No. 22.

ST. LOUIS HOTEL, QUEBEC, 10th May, 1892.

The Hon. G. A. NANTEL,

*Commissioner of Public Works.*

DEAR SIR,

Since the receipt of your letter dated 6th inst., in which you say you would like me to submit an estimate of the probable cost of completing the first 60 miles of the Baie des Chaleurs Railway, Metapedia Junction with the I. C. Ry., to Grand Cascapedia, I have gone over the road carefully and find I can do the work for the sum of \$46,180, as follows:—

1st. The fence (barb wire), more or less broken down, and the material gone over the whole line, and a certain amount of second growth brush has sprung up along the line. To furnish material, wire and lumber, replace missing and repair broken fence, furnish gates and repair farm crossings, and clear the brush on the 60 mile will cost .....	\$ 5,300 00
2nd. Burning logs and stumps left on right of way, if required to be done, I do not think it necessary ... ..	300 00

3rd. Cleaning out, resloping, and ditching six cuttings, now run down on track .....	500 00
4th. Washouts. To refill various small ones and the quite serious ones at Carlton Capes, Nouvelle, and Matapedia, in all...	5,000 00
5th. Widening banks. The banks are in a great many places narrower than original specifications call for. This is due to action of the weather, for years rains having washed down material to very flat slopes. Had the road been in operation, section men would have trimmed it up to look all right; all settlement has taken place and if banks are widened at some of the worst places at a cost of say \$5,000, the road will be perfectly safe in this respect. I therefore limit expenditures under this head to the sum of.. ....	5,000 00
6th. Grubbing out weeds and grass, where necessary, to a line clear of end of ties... ..	1,800 00
7th. Lifting, lining and surfacing.....	1,500 00
8th. Carlton Capes—about 300 feet crib wharf was built here to protect embankment from the sea—1,200 feet of it was never filled with stone and has washed out—1,800 feet remains but requires more stone filling or the face sheathed with plank at once. I estimated that this, with rebuilding the portion carried away, will cost....	1,950 00
9th. Repairs to watertanks.....	820 00
10th. Stations—Maria and Irish Town.....	1,500 00
11th. Escuminac bridge:—Proper foundation and rebuilding east abutment of this bridge. (The foundation washed out and the masonry tumbled down some years ago).....	3,500 00
12th. Steel superstructure.—Increasing span from 60 feet to 100 feet clear—old span can be used elsewhere on last 20 miles.....	6,200 00
13th. 125 foot span steel bridge Nouvelle.....	7,500 00
14th. Steel Bridge, Green's brook.....	1,700 00
15th. " " Mill's " .....	800 00

16th. Cattle guards and culverts.....	750 00
17th. Rotten ties,—from the first to the 12th mile—spruce and princess pine ties seem to have been put in—of these 15,500 are now decayed and will require renewal inside of two years ; half the number or say 7,000 must be renewed this season, will cost in track, including taking out old ones.....	1,400 00
18th. Small iron rails have been put in main line east and west of Nouvelle bridge to the extent of 1,080 feet—replace with 56 lb. steel—2,160 feet—720 yards—20 tons, with spikes and fastening, say 22 tons @ \$30 laid in place.....	660 00
	<hr/>
	\$46,180 00

If this meets your approval I would be ready to begin work at once, finish the 60 miles, and the 20 miles now under contract by me from the company promptly, provided the Government will agree to pay as follows:— On the 60 miles monthly as the work progresses on the report of their engineer.

On the 20 miles—\$50,000 as soon as the Grand Casca-  
pedia bridge is completed and inspected. The balance of  
subsidies amounting to \$120,000 according to law and  
the terms of my contract with the company. To obtain  
legislation for the doubling back of \$70,000 from the  
last 20 miles as agreed by the Commissioner of Public  
Works in his letter to the company 16th June, 1891.

Yours very respectfully.

(Signed) M. J. HOGAN.

Mr. Cooper's proposition or my estimate does not appear to have met the views of the Government, as the matter remained under consideration until the 2nd June. I in the meantime having pressed the company and Government all that I reasonably could to decide whether they wished me to do anything with the 60 miles, and it

was most important for me that something should be done with it, seeing the Commissioner's letter of 10th May stated that he regarded the completion of said 60 mile as essential to my being paid anything, and there being no means at my disposal to compel completion of this work while the proper season for doing my own work (60 to 80 miles) was passing, I endeavoured to explain my position to the Hon. Minister on the 1st June, in the following letter, No. 23:

(Copy)

No. 23.

BAIE DES CHALEURS

*Metcalf avenue,*

Cote St. Antoine, Montreal, 1st June, 1892.

Hon. G. A. NANTEL,

*Com. Public Works, Quebec.*

DEAR SIR :

I am inclined to think the Government will require sometime yet in which to decide about completion of the first 60 miles B. C. Ry. This matter was discussed by the company and the Government and formed the subject of your letter to me of May 6th and my reply and estimate of 10th May. I was always ready to do the work as stated, because I thought it was a ready and practical solution of the difficulty. I did not agree with the concluding clause of your letter, of the 6th May, "That the completion of the first 60 miles is essential to the payment of the subsidies now earned by me on the 20 miles 60th to 80th."

Work has been suspended on the 20 miles pending negotiations about completing the 60 miles, as I hesitated about making temporary repairs at a cost of \$1,000 to \$1,500 to get trains with material over the 60 miles to my work while there was any hope of the work being done permanently. I will now resume work at once on my contract, if you will kindly withdraw the statement. "That I am not entitled to subsidies, in so far as it relates

to \$50,000 for the bridge and balance of subsidy on the 20 miles, \$7,000 a mile, = \$140,000. less paid to Armstrong's men \$20,000 = \$120,000. You might be good enough to put it as stated in Mr. Moreau's letter to the company, dated 24th April 1891. He says, "subsidies will be payable in the following manner:—On completion of bridge, \$50,000; on completion of miles 60 to 70, \$50,000; miles 70 to 80 \$70,000. These subsidies are clearly applicable to my 20 miles and you will do me a great favour by saying officially, that when the works are completed and received by you I will be entitled to these payments. I am not troubling you in this matter for my own satisfaction. I am perfectly satisfied with the statutes, but my bank does not like the statement that these subsidies are repudiated. I trust you will see the perfectly unreasonable position I am placed in. I am quite unable to force the company to comply with the Government's requirements.

A prompt answer will greatly oblige me as I want to close my financial arrangements and leave for the work at once.

Yours respectfully,

(Signed)

M. J. HOGAN.

P. S.—I think the Hon. Premier would concur in your giving me an acknowledgment of these subsidies. I understood him to say in a conversation. I had with him that he saw no difficulty about the bridge and other old subsidies.

M. J. H.

To which he replied promptly, but not quite satisfactorily for me:

No. 24.

QUÉBEC, 2 juin 1892.

M. J. HOGAN, ECR,

Entrepreneur,

Chemin de fer de la Baie des Chaleurs,

Montréal.

CHER MONSIEUR,

Nous continuons à étudier les propositions qui nous ont été soumises au sujet de l'affaire de la Baie des Cha-

leurs. Il est difficile d'arriver à une conclusion immédiate, mais soyez certain que je ne perds pas de temps. Le dossier sera complet demain et j'espère qu'il ne se passera pas plusieurs jours avant que le gouvernement en arrive à une décision.

Je demeure, cher monsieur,  
 Votre dévoué serviteur,  
 G. A. NANTEL.  
 C. T. P.

I therefore wrote him again as follows :

No. 25.

BAIE DES CHALEURS,  
 Cote St. Antoine  
 Montreal.

June 3rd 1892.

HON. G. A. NANTEL,  
 Commissioner of Public Works.  
 QUEBEC.

DEAR SIR,

Thanks for your note of 2nd inst. (unintentionally I know,) the Government are doing me a serious injustice by refusing to admit my right to the subsidies clearly intended for the particular work done and still to do by me. I do not ask money, simply an acknowledgment that I will be paid according to law without discussion, I could then finish my 20 miles at once. Anything I have done or may do relating to the 60 miles has been not in any interest of mine but to help to a solution of difficulties arising from the neglect and bad management of previous Governments and other contractors.

Yours very respectfully,

M. J. HOGAN.

After waiting several days I wired Mr. Nantel as follows :—



No. 26.

Telegram (26.)

MONTREAL, 10th June, 1892.

HON. G. A. MANTEL,  
 QUEBEC.

Please say if any answer can be given to-day about work on my twenty miles. Any use my going to Quebec?

(Signed) M. J. HOGAN.

The answer was:—

No. 27.

QUEBEC, June 10th, 1892.

M. J. HOGAN,  
 Metcalf Av.

The whole matter is before the Attorney-General. Don't know when his decision will be given.

G. A. NANTEL.

I wrote the Hon. Commissioner again, as follows :

No. 28.

BAIE DES CHALEURS RAILWAY.

COTE ST. ANTOINE. MONTREAL, June 11, '92. }

HON. G. A. NANTEL,  
 Commissioner of Public Works,  
 QUEBEC.

DEAR SIR,—

Thanks for your message of yesterday, saying "B. de C. matter was before the Attorney-General." I have taken the liberty of writing the Hon. Mr. Casgrain to-day on the subject. Assuming that I will be authorized very soon to finish up my work, would you kindly send Mr. Vallée down now to make a report on the bridge and the

twenty miles, so that you can make me a slight advance, if you think fit (I mean a few thousand dollars against the \$200,000 that I have spent), when I start work again? Of course, I do not demand this but it might be a convenience.

Excuse me if I say again that I cannot see what is to be accomplished for the company, or the Government, by ruining me with all these delays. Of course, I know absolutely nothing what is going on between the company, Armstrong and the Government. Mr. Cooper tells me some new propositions have been made.

Yours respectfully,  
(Signed) M. J. HOGAN.

And at the same time wrote the Hon. Attorney General :

No. 29.

BAIE DES CHALEURS.

Cote St. Antoine, Montreal, June 11th, 1892.

HON. T. C. CASGRAIN,

*Attorney General, Quebec,*

*In re Baie des Chaleurs Ry.*

DEAR MR. CASGRAIN,

I regret the necessity of troubling you again on this subject. Replying to a message of mine yesterday in re B. de C., Hon. Mr. Nantel says: "The whole matter is before you" for decision. Might I trouble you to read Mr. Macmaster's memo. or letter of opinion addressed to me here, dated 2nd May, the original of which I handed you in Mr. Nantel's Office 3rd May. I think it sets out very clearly my position and I would be happy to give any further explanations you might require. Meantime I may state positively that I knew nothing (nor of course did Mr. Macmaster, who advised me in the whole matter) of the company's dealings with the late Government, until the same appeared in the press and I had then incurred \$125,000 expenditure. I have

since pressed the company to the utmost in my power, verbally and by writing (copies of letters sent Mr. Nantel). Recently I offered to try to reorganize the scheme, in some way uniting all the interests, if they would give up all claims on reasonable terms and get out completely. Nothing has come of it. I have, with the assistance of my friends, spent to date on my 20 miles over \$200,000. I would be pleased to give you any proof you desire, of this. In the face of the Government's refusal to admit my right to the subsidies applicable to the work I am doing, you will understand how I am embarrassed; my principal foremen, mechanics, etc., were engaged for 1st May. I have been obliged to keep them waiting or compromise, and the most serious complications have occurred; works would have been completed now had I gone on.

I will accept any reasonable arrangement that will enable me to finish up (an expenditure not exceeding \$75,000) my 20 miles.

Yours very respectfully,  
(Signed) M. J. HOGAN.

Fearing further delay I wired this very urgent despatch No. 30.

No. 30.

TELEGRAM.

June, 14th 1892.

TO HON. G. A. NANTEL,  
*Commissioner of Public Works.*

QUEBEC.

Please write me to day you will pay fifty thousand dollars on the completion and inspection of the Grand Cascapedia Bridge; all other questions may be deferred until you have time to deal with them; it is of vital importance to me personally that you should do this favour.

M. J. HOGAN.

To which a satisfactory reply was given and a few days later I was obliged by an official letter from the treasury department confirming this message, so that about the 1st July I got started again on my contract, leaving however the question of the \$70,000 referred to in Mr. Garneau letter No. 2 still open, and I was very much discouraged when the House was prorogued without action being taken on this letter. The company on their own admission had no visible means of paying anything and even claimed they were not liable to me for that sum if it were never paid (this pretention is of course incorrect.) As I had never relied on them financially I saw no help for the position but go on to complete at least the first 10 miles and make what progress seemed prudent on the second 10 miles pending the money being voted. This meant loss of time for me, but I did not worry the company or the Government further on the subject, as during August and part of September there were encouraging signs of a reorganization of the company, and I believe the Government did everything in their power to bring about an arrangement for the completion of the whole 100 miles. Nothing seems to have come of it. A reorganization it appears did take place but not exactly the one I think the Government were favouring. Mr. C. N. Armstrong telegraphed me on the 17th September that he had acquired the rights of Mr. Cooper &c. The Hon. Mr. Nantel wired me on the 27th October asking when the whole work would be completed. I was a little surprised as I was not aware that he expected me to complete the work until the Government had either voted or promised to vote the money in accordance with Mr. Garneau's letter No. 2. Mr. Nantel may have supposed the reorganization in September by which Messrs. Thibodeau and Armstrong became active in the company's affairs was a sufficient guarantee for my advancing the \$70,000 required to com-

plete the work. Indeed I had hopes myself that the new president, (Mr. Thibodeau), might arrange the matter, but on application to that gentleman he stated (about first of November last) that he had not yet fully investigated the company's affairs, that his position was somewhat of an honorary or philanthropic one, that he was not advancing money to the company yet, and did not believe he said (and this he did not seem to regret) that the Government would advance the money to me in accordance with the Garneau letter in my contract. He thought my plain duty was to furnish this sum myself, finish the work and wait until the company would be in a position to pay me. Of course Mr Thibodeau, who is not only an honest man, I believe, but a kindly gentleman, made this statement (that I should advance to the company) without reflection, but the fact remained that my position was not improved by the advent of this second new company I, therefore, thought it necessary to address to Mr. Nantel this rather long letter No. 31, restating my position up to date.

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No. 31.

METCALFE AVENUE, COTE ST. ANTOINE, }  
 MONTREAL, October 31st, 1892. }

The Hon. G. A. NANTEL,

*Commissioner of Public Works for the Province of Quebec,*  
 GOVERNMENT OFFICES, MONTREAL.

DEAR SIR,—

I received your message of the 27th at New Richmond, inquiring as to progress of work on my twenty-mile contract B. C. Railway. I replied I was coming to Quebec and Montreal, and would see you. Tomorrow being a public holiday, I may not see you before leaving for my work. I must, therefore, trouble you with the following in writing:

Referring to the whole question of my contract with the company and correspondence with the Government in relation to it, you will recollect the contract was to build the Grand Cascapadia Bridge and twenty miles east of it. It was entered into about the 1st of August, 1891, and, at the company's request, work extended over the whole twenty miles, and \$200,000 was expended in four months, or at the close of the season 1891. Works were shut down for the winter, and, I regret to say, I did not feel justified in resuming again until about the 1st of July, 1892, the date at which you were good enough to authorize a letter to be given to the Bank of Montreal, saying my subsidies to a certain extent would be paid as soon as earned. You had previously, with other members of the Government (see your letter of the 6th of May), inclined to the opinion that no subsidies should be paid on account of my work until the company made certain progress out of their own resources towards the completion of the first sixty miles and the carrying out of all their obligations towards the Government.

I was not in a position to compel the company to take action, although I protested them strongly and called their attention in writing to the valuable time I was losing. I urged them to take steps to satisfy the Government of their (the company's) ability to do the whole work, as I was willing and able to take care of my share, if paid in accordance with my contract.

I resumed work as soon as possible after receipt by the Bank of the letter referred to. I got first sixty miles temporary in running order early in July, so as to get down my supplies by train. Extraordinary freshets in August caused me heavy damage and delay, and I was again obliged to repair the sixty miles. I have made good progress since, and at this date I may report the Grand Cascapadia Bridge complete for railway and highway (vehicle) traffic. I may say it is a fine structure of steel and masonry. The first ten miles east of the bridge, including the bridge across the Little Cascapadia (masonry and steel), is practically complete.

The last ten miles I can hardly see my way to complete and hand over to the company at the moment. You

will remember that to make up the sum of my contract (\$300,000), the lowest figure I could take the work for (the company's estimate furnished the Government 9th of June, 1891, for this twenty miles was \$359,644), the company obtained from the Government a special letter, 16th June, 1891, agreeing to double back from miles 80 to 100, to miles 60 to 80, \$3,500 per mile—in all, a sum of \$70,000—to be paid half on each ten miles after completion. I understand the Government refuses this accommodation to the company now—at least, I have been unable to get any assurance that I will be paid this sum when my work is completed. It affects my whole twenty miles, as I am entitled to half of it on each section, but I am willing to have it all apply to the last ten miles, and have, therefore, completed the bridge and first ten miles regardless of it. And, in hopes that the matter would be settled between the Government and the company at an early date, I have done everything possible towards the completion of my second ten miles, short of placing my materials there as a fixture, by which they would become the property of the company. I have purchased and paid for all the right of way. (I hold the documents). I have done the grading, including the very expensive rock-cuttings at Black Capes, fencing, masonry of Caplin River, and other structures have been attended to. I have provided on the ground all timber for cattle-guards, culverts and trestle bridges. I bought quite recently from Shearer & Brown, of Montreal, two schooner loads of pine timber for trestles, costing about \$5,000, and delivered it on the place. I have all steel rails, sleepers, etc., required on the ground, and will lay them in place in a couple of weeks, as soon as my pay is assured.

I hope the Government will see nothing unreasonable in my position. I refused at the outset to trust the company for any portion of my pay. I could not afford to accept speculative security, as my estimate was on a cash basis. When I discovered that the subsidies applicable by statute to the work I was asked to do were insufficient I abandoned the scheme pending the company getting cash or proper security for \$70,000. Three weeks later they offered me the letter in question, which I accepted as

equal to cash. It being my intention to give value for it, and its being a reasonable re-arrangement of subsidies to obtain eighty continuous miles of railway, I did not go very far into the question of the executive Government's power to issue such a document. In fact, I did not think the Government capable of collusion with the company to obtain my labour and money under false pretensions, which is what it amounts to if they had no right to give the document.

Is there no practical way out of the difficulty? If you cannot pay this \$70,000 now, I understand the company claim balances of subsidies, viz., \$63,500 provincial and \$31,800 Dominion—\$95,300. Take \$40,000 to repair the first sixty miles. My estimate for this work was \$46,180, but on the items—washouts, \$5,000; bank widening, \$5,000; grubbing and weeding, \$1,800; surfacing, \$1,500—the Government may, as suggested in my offer, effect a large saving. I put these sums down as likely to be required if a certain width is to be attained throughout, but was willing to do the work by the yard, and I am satisfied that the road can be made servicable, even quite good, with a small expenditure under these four heads. Of the \$55,300 left, reserve \$40,000 for me, to be paid a reasonable time after the completion of my twenty miles; the other \$30,000 you can provide for me some other way; you will still have \$15,300 left, for which, by all means, purchase two good locomotives, as there is but one good engine on the whole eighty miles now. Assuredly, the company will not object to this application of the subsidy. You would then have \$140,000 applicable to the last twenty miles, as originally voted. It may be said to you that the Dominion Government will insist on a greater expenditure than I propose before paying their \$31,800. The Dominion Government should co-operate with you—in fact, \$31,800 was held back by them as sufficient to complete the sixty miles three years ago, with a margin of safety. The work not provided for in this sum (\$31,800) would be general repairs to fences and washouts at Carleton Capes. I am satisfied \$40,000 judiciously spent under the supervision of a really practical engineer, will put the sixty miles in good working order. This, however, is only a suggested



way out of the difficulty, as I think the good faith of the Crown is pledged to me to the extent of the \$70,000 subsidy in question.

Please excuse me for troubling you again at such great length on this subject. I propose telegraphing Mr. Vallee a few days hence to come down to inspect the bridge and first ten miles. You will greatly oblige by leaving Mr. Vallee instructions to come as soon as convenient after I notify him I am ready. Mr. Allan R. Macdonell has a full half interest with me in this contract, and has supplied more than half the money, we were obliged to provide to keep the works going. Mr. Macdonell lives in Montreal, and may call on you here or in Quebec in connection with our affairs, as I will be obliged to look closely after the works on the ground. I need hardly say that Mr. Macdonell has the fullest authority to speak and act for me in relation to this contract.

Yours, very respectfully,

(Signed) M. J. HOGAN.

And to which I got an official reply :

No. 32.

L. E. No. 2243,— } DEPARTMENT OF PUBLIC WORKS,  
L. R. " 1720.92 } RAILWAY OFFICE.

Quebec, 10th November, 1892.

Mr. M. J. HOGAN,

*Railway Contractor,*

*New-Richmond.*

DEAR SIR:

On behalf of the Honorable the Commissioner, I beg to acknowledge receipt of your memorandum, dated 31st *ultimo*, giving details on the progress of the works you have undertaken on the "Baie-des-Chaleurs Railway," and asking better terms as to the payment of the subsidies

to be earned on the 20 mile section so by you undertaken, and, in reply, beg to state that the subject-matter will receive the earliest consideration of the Government.

I remain, Dear Sir,

Yours truly,

E. MOREAU,  
*Director of Railways*

And as soon as the necessary formal application was made by the company for an inspection of my work—and it appears it could not be inspected on my application—Mr. Nantel sent the Government engineer, Mr. Vallée, down. When Mr. Vallée made a very detailed and strictly correct inspection and report of the works; which report is No. 33.

No. 33.

DÉPARTEMENT DES TRAVAUX PUBLICS.

QUÉBEC, 3 décembre 1892.

A L'HONORABLE G. A. NANTEL,

*Commissaire des Travaux Publics.*

MONSIEUR LE MINISTRE,

J'ai l'honneur de vous faire rapport que j'ai, les 28 et 29 novembre dernier, fait inspection de la partie du chemin de fer de la Baie des Chaleurs, s'étendant depuis le 60ième jusqu'au 80ième mille, et que les travaux sont comme suit :

1o. Sur les premiers 10 milles du 60ième au 70ième.

La localisation de la ligne m'a paru bien appropriée aux terrains qu'elle traverse, il se trouve un grand nombre de courbes dont la plus forte a 8° degrés ou un rayon de 716. 8 pieds.

Sous le rapport des pentes et rampes, la plus grande inclination est de 67 pieds par mille.

La largeur des terrains pris pour l'usage du chemin de fer est de 100 pieds.

Une clôture avec perches et piquets de cèdres a été construite de chaque côté de la voie sur les terrains cultivés, et une avec fils de fer (barb wire) sur les terrains non défrichés.

Les remblais ont été faits de 15 pieds de largeur à formation avec talus de  $1\frac{1}{2}$  pied par pied, et les déblais 20 pieds de largeur aussi à formation.

26 ponceaux en bois de cèdre et pin, dont 15 de 4 pieds d'ouverture libre, 9 de 15 et 2 de 6 pieds, ont été posés au cours d'eau, 6 ponts-chevalets variant en longueur de 15 à 150 pieds ont été construits sur les branches de la petite rivière Cascapédia.

Le pont érigé sur la petite rivière Cascapédia a une longueur totale de 390 pieds dont 153 de superstructure métallique appuyée sur deux culées en maçonnerie et 245 pieds de ponts-chevalets formant les approches.

A tous les chemins publics des garde-bestiaux ont été placés, d'après le système ordinaire.

Tous les matériaux qui ont été employés dans ces diverses constructions sont de première qualité.

Des rails d'acier du poids de 56lbs par verge linéaire ont été posés sur des traverses ou dormants de cèdre, sur tout le parcours.

Le ballastage est pratiquement complété sur toute cette section avec du gravier de bonne qualité.

Deux garés combinées pour les passagers et les marchandises sont en voie de construction, l'une à la Grande Cascapédia et l'autre à la Petite Cascapédia.

En résumé, tous les travaux qui ont été exécutés sur cette section sont en général très satisfaisants.

Il reste encore pour parachever cette section de 10 milles des ouvrages pour un montant approximatif de \$4,793,00.

Savoir :

Ballastage.....	5000 V. C. à 25.....	\$1,250.00
Elargissement des déblais ou coupes.....	2000 " " à 25.....	500.00
Drainages.....	2000 " " à 25.....	500.00

Remplissage pour voie d'évitement à la Grande Cascapédia .....	1500	" "	à 25.....	375.00
Elargissement des remblais.	3000	" "	à 15.....	450.00
Protection en maçonnerie de 4 tuyaux.....	16	" "	à \$4.00...	64.00
Parachèvement des gares de Petit Cascapédia et Grand Cascapédia.....				550.00
Pose de 4 enseignes aux chemins publics..	4		à \$5.00	20.00
Parachèvement de la voie d'évitement Petit Cascapédia.....				100.00
Pose d'une couche de peinture au pont Petit Cascapédia.....				40.00
Pose de 2 garde-rails additionnels sur les ponts...				320.00
Protection de la culée Est du pont Petit Cascapédia.....	50	V. C.	à 60.....	30.00
Protection des ponts-chevalets sur les branches de la Petit Cascapédia.....	90	V. C.	à 60.....	54.00
Pose de 1000 traverses pour remplacer défectueu.				140.00
" d'une ligne télégraphique avec appareils.....				400.00
				\$4,793.00

2. Travaux faits depuis le 70ième jusqu'au 80ième mille.

J'ai pu constaté qu'une très-grande quantité de travaux avaient été exécutés, tels que les déblais, remblais en terre et en pierre, clôtures, ponceaux et maçonnerie du pont sur la rivière Caplan de même qu'un mille de voie qui a été posée et ballastée.

#### MATÉRIAUX LIVRÉS SUR LA VOIE :

1. Superstructure métallique du pont Caplan livrée sur la voie à Irishtown.
2. Rails et éclisses pour 10 milles de voie livrés à  $\frac{1}{4}$  de mille ouest de la Grande Cascapédia.
3. Boulons et fiches pour 10 milles livrés sur la voie, côté est de la Grande Cascapédia.
4. Traverses (21000) sur la voie dans les 20 milles.
5. Barrières (300 " " côté est de la Petite Cascapédia.

6. Cèdre 52000 pd. B. M. pour ponceaux et garde bestiaux livrés sur la voie, côté Ouest de la Petite Cascapédia.

7. 275,000 pds. de pin pour les ponts-chevalets permanents sur la voie au 71ième mile.

8. 860 traverses de pin pour les ponts 13' x 8" x 8" livrés à la station 3200 et au 71ième mille.

9. 70 V. Cubes de pierre pour ponceau Station 4055 sur la voie, côté Ouest de la Petite Cascapédia.

10. 6½ tonnes de boulons taraudés pour ponts au 71ième mille.

11. 20 rouleaux de fils de fer pour clôtures livrés sur la voie côté Ouest de la Petite Cascapédia.

12. Il y a aussi une grande quantité de perches et piquets de cèdre livrés sur la voie entre la Grande et la Petite Cascapédia.

#### PONT, GRANDE RIVIÈRE CASCAPÉDIA.

Ce pont qui a une longueur totale de 1762 pieds est maintenant complété, à l'exception de quelques travaux de peu d'importance sur le rapport du coût. Il consiste en 7 travées de superstructure métallique dont 2 travées de 120 pieds et 2 travées de 44' sur le chenal Est ; 1 travée de 135' 1 de 44' et 1 de 33' sur le chenal Ouest avec ponts-chevalets de 1220' de longueur pour approches.

La superstructure de ce pont repose sur des maçonneries qui m'ont paru sous tous les rapports de 1ère classe, de même que les ponts-chevalets.

Mais pour assurer plus de sureté pour le passage des trains sur ce pont, j'ai recommandé à l'ingénieur en charge des travaux et à l'entrepreneur de poser deux garde-rails additionnels sur toute la longueur du pont, ce que l'entrepreneur a promis de faire le plus tôt possible.

Le coût de cet dernier ouvrage y compris 165 V. C. de pierre à mettre pour protéger les piliers et culées et le peinturage des gardes-fou du pont est de \$680.00. Ce pont qui est combiné pour chemin de fer et voitures, est maintenant ouvert à la circulation publique.

Je dois mentionner que les chemins qui ont accès aux ponts ne sont pas terminés ; l'entrepreneur prétend

que les municipalités de Maria et New Richmond doivent les terminer et les entretenir.

Ce pont est construit suivant les plans déposés dans ce Département, et sur le site qui a été reconnu comme étant le meilleur qui pouvait être choisi pour ériger un pont. pour les raisons énoncées dans mon rapport du 6 octobre 1888.

Le tout humblement soumis,

(Signé) LOUIS A. VALLÉE,  
*Ingénieur Inspecteur.*

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(TRANSLATION.)

No. 33.

PUBLIC WORKS DEPARTMENT,

QUEBEC, 3rd December, 1892.

To the Hon. G. A. NANTEL,

*Commissioner of Public Works.*

I have the honour to report that on the 28th and 29th of November last I made an inspection of the portion of the Baie des Chaleurs Railway between the 60th and 80th miles, and found the work as follows :

1st. On the first 10 miles, 60th to 70th, the location of the line appears well adapted to the country traversed. There are a number of curves, the sharpest of which is 8°, or a radius of 716·8 feet.

The heaviest grade is 67 feet per mile. The width of right of way taken for the road is 100 feet.

A rail-and-picket cedar fence has been constructed each side of the line over cultivated lands, and a barb-wire fence through the woods.

Embankments are 15 feet wide at formation, with 1½ to 1 slopes.

Cuttings are 20 feet wide at formation. Twenty-six cedar and pine culverts have been constructed, of which 15 have 4 feet clear opening, 9 have 15 feet opening, and

2 have 6 feet opening. Six pile trestle bridges, varying in length from 15 to 150 feet, have been constructed on branches of the Little Cascapedia River.

The bridge across the Little Cascapedia itself has a total length of 390 feet, 153 feet of which is steel superstructure, resting on two tiers of masonry; 245 feet of pile trestle form the approaches.

At all public road crossings there have been placed the usual cattle-guards.

All the materials employed in the construction of these different works are first class. Fifty-six lbs. per yard steel rails laid on cedar ties have been used throughout.

Ballasting is practically complete, and a good quality of gravel has been used.

Two combination freight and passenger stations are under construction, one at the Grand Cascapedia, and the other at Little Cascapedia.

I may say the works in general have been executed in a very satisfactory manner.

There remains still to finish this section works which may approximate \$4,793.00; say:

Ballasting .....	5,000 c. yds.	@ 25c.	= \$1,250 00
Widening cuts.....	2,000	" " 25c.	= 500 00
Ditches.....	2,000	" " 22c.	= 500 00
Filling for siding at Grand Cascapedia .....	1,500	" " 25c.	= 375 00
Widening embankments.....	3,000	" " 15c.	= 450 00
Protection to 4 pipe culverts .....	16	" " \$4	= 64 00
Finish station building.....			550 00
Four road crossing signs.....		@ \$5	= 20 00
Finish siding Little Cascapedia.....			100 00
Additional coat paint L. Cascapedia bridge.....			40 00
Extra guard rail on bridges.....			320 00
More stone protection east pier L. Cascapedia...			30 00
do pile bridges do ...			54 00
Replace about 1,000 defective ties.....			140 00
Telegraph line and instruments .....			400 00
Total.....			\$4,793 00

2nd. Works done on second 10 miles, 70th to 80th. I found a great quantity of work done here. Cuts and fills, rock and earth, fence, culvert masonry, and the masonry for Caplin River is complete, and a mile of track laid and ballasted.

The following materials are delivered on the grounds:

1. Steel superstructure for Caplin River, laying at Irish-town.
2. Rails and fish-plates for 10 miles are piled at Grand Cascapedia.
3. Bolts and spikes for 10 miles in contractor's store at Grand Cascapedia.
4. 21,000 cedar ties along the line.
5. 300 farm crossing gates at the Little Cascapedia.
6. 52,000 feet B. M. sawn cedar for cattle-guards, etc., at Little Cascapedia.
7. 275,000 feet B. M. Ottawa white pine for pile trestles, at the 71st mile.
8. 860 pine (bridge) ties, 13' x 8" x 8", at 71st mile.
9. 70 cubic yards cut-stone (for culvert st. 4,055), at Little Cascapedia.
10. 6½ tons screw bolts for bridge, at the 71st mile.
11. 20 rolls of barb-wire at the Little Cascapedia.
12. There is also a great quantity of cedar rails and pickets delivered between Grand and Little Cascapedia.

#### GRAND CASCAPEDIA RIVER BRIDGE.

This bridge, which has a total length of 1,762 feet, is now complete, with the exception of a little work of no importance as to cost. It consists of seven spans of steel superstructure, of which two spans are 120 feet and two of 44 feet each on the east channel, and one span of 135 feet, one of 44 feet and one of 33 feet on the west channel, with 1,220 feet of pile and pine trestle bridge approaches.

The superstructure of this bridge rests on masonry, which appears to be first class in every respect, and the same remark applies to the trestle bridge approaches.

But as extra security for the passage of trains on this bridge, I recommended to the engineer in charge of the works and the contractor the placing of two additional guard-rails over the whole length of the bridge, and the



contractor promised to do this work as soon as possible. The cost of this additional work, with 165 cubic yards more stone for the protection of piers, and the painting of the hand-rail on the highway bridge, will be \$680. The bridge, which is combined for railway and highway traffic, is now open to the public.

I may mention that the highway road leading to this bridge is not in good order. The contractor says the municipalities of New Richmond and Maria are to repair and maintain it.

The bridge has been constructed in accordance with the plans deposited with this Department, and on the site which I recommended in my report of the 6th October, 1888.

All of which is humbly submitted.

(Signed)      LOUIS A. VALLEE,  
*Inspecting Engineer.*

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And in less than two months after the date of Mr. Vallee's report I received a payment of \$49,320 on account of bridge. A report having appeared in the *Montreal Witness* of 17th that there were some men still unpaid on the Baie des Chaleurs Railway, &c., and in case the Minister should have any anxiety that these men belonged to my works I addressed to him the following note, (No. 34), on seeing the statement in the paper:

No. 34.

METCALFE AVENUE, COTE ST. ANTOINE,  
MONTREAL, January 19th, 1893.

THE HON. G. A. NANTEL,  
*Commissioner of Public Works.*

QUEBEC.

DEAR SIR,

My attention has been called to a paragraph in the Quebec correspondence of the *Montreal Witness* of the 17th here, in which it is stated that the men on a

certain section of the B. C. Ry., now under construction, have not been paid for months, I wish to say, for your information, that if any men are unpaid on the B. C. R., they are in no way connected with my works from the 60th to the 80th mile. There is not one dollar due, claimed or disputed, for labor, materials, or anything connected with my works.

Yours very truly,  
M. J. HOGAN.

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In replying to me the Minister kindly informs me that I will be paid for the bridge, but says the legal question as to whether I shall be paid anything on account of other work on my 20 miles has been referred to the Attorney-General. As the Attorney-General may not be able to take the matter up within a reasonable time I thought I was justified in troubling the Commissioner with another communication containing my views, in the following letter —

No. 35.

METCALFE AVENUE, COTE ST. ANTOINE,  
MONTREAL, January, 24th 1893.

HON. G. A. NANTEL,  
*Commissioner of Public Works,*  
QUEBEC.

DEAR SIR,

I have your letter of the 20th inst., and beg to thank you for Order in Council for the payment of the bridge. I understand from the Bank of Montreal that a small amount has been deducted from the subsidy, but that can be adjusted later.

I note that you have referred the legal question on the payment of the subsidy for the balance of my work to the Attorney-General. I trust that the Attorney-Gen-

eral will not take any narrow legal grounds with regard to it; indeed I have no reason to fear that he would.

The engineer in his report points out that the first ten miles are substantially completed, and the second ten miles are far advanced toward completion, with all material required delivered on the ground and paid for.

It is true that with regard to the first ten miles he indicates some things which he thinks should be done before the work can be finally regarded as completed, some of which things (as for instance the telegraph lines) are not included under my contract, but at the outside he estimated everything that is lacking to be done with regard to the first ten miles, at about four thousand dollars.

Seeing that the second ten miles are almost completed, and that myself and my partner have put our own money into the work, and are put to great disadvantage in not being even partially recouped for it, would it not be fair to pay; and could you not justify before parliament and the public, paying the \$50,000 subsidy for the first ten miles, or at least that amount less \$4,000.

As against the four thousand dollars which the engineer thinks it would take to complete the first ten miles, if that amount is required for that purpose the Government has the protection of the whole of the second ten miles nearly completed, and the Dominion Government will hold three or four thousand dollars for the same purpose.

I cannot impress too earnestly upon you the fact that my partner and myself have expended amounts in the construction of this work very largely in excess of anything we are now asking for, and that we look to you and the Government for fair and honorable treatment, which we have no doubt we will receive.

Yours truly,  
 (Signed) M. J HOGAN

And as this letter was not replied to, possibly owing to press of sessional business, I wrote again taking up the question of legislation for the doubled back subsidy.

No. 36.

METCALFE AVENUE,

Cote St. Antoine, Montreal, February, 3rd 1893.

The Hon. G. A. NANTEL,

*Minister of Public Works,*

Quebec.

DEAR SIR :

When undertaking the construction of 20 miles of the B. de C. Ry, viz :—Miles 60 to 80 including the Grand Cascapedia Bridge, the company transferred to me a letter dated 16th June 1891, from the then Minister of Public Works &c. This letter stated that the minister had consulted his colleagues, and that he was authorized to say that the \$3,500 per mile of the subsidies applicable to the last 20 miles of this railway would be made applicable on certain conditions on the completion of miles 60 to 80.

The re-arrangement of subsidies contemplated by this letter, I understand required legislation. I mentioned the fact to you, and I think wrote about it in May last.

As no action was taken by the legislature, I did not feel justified in completing these 20 miles of railway for the company, as I certainly would have done, had they been in a position to pay me; I hope I made this point fairly clear to you in my letter of 31st October last. Mr. Macmaster acting for me, and accompanied by my partner Mr. Macdonell, had an interview with you in Montreal about the 14th November last on this subject, I was so encouraged by Mr. Macmaster's report sent me in writing the day he saw you, that I resumed work at once on the last 10 miles.

Mr. Macmaster says amongst other things in his letter to me :—

“ After a good deal of discussion in which the Minister of Public Works viewed the matter with great fairness, he stated to us that a strong company was on the point of formation, which would carry the work through to the end of the 100th mile, in which case you would be certain to receive the subsidies doubled back, but that in any event if this could not be done he considered that legislation should be introduced to

"enable the Government to pay the sum of \$70,000 on  
"the faith of which you entered into the contract."

This was highly satisfactory to me, and I have since done everything the season would permit of with a view of getting the road ready for traffic quite early in the spring if provision is made meantime to pay me according to contract.

Personally I am satisfied that this matter will be fairly dealt with, and that I will be permitted to finish the work without further delay. Last season was wasted in part, waiting the outcome of negotiations between the company and the Government.

I would not trouble you again, were it not that I am looking into a business transaction just now, that may bring up the question of my position in this B. de C. matter; it would be a great advantage to me to have a definite promise from the present Government, that this matter will be dealt with at the present session in accordance with the letter of the 16th June 1891.

I would regret very much to appear troublesome and am willing to admit that the Government were, and are justified in scrutinizing closely everything connected with the B. C. Ry company's affairs, but the fact remains that I have been very harshly treated owing possibly to complications in the company's affairs, with which of course I have nothing to do, as personally I was always able and willing to do my part. You will see readily how I have been affected by the legislature not providing the re-arrangement of subsidies as contemplated. Had this been done, or if I could have obtained an assurance that it would be done at the beginning of the working season of 1892, I would have completed the entire works last season, been paid all subsidies in due course, and have been in a position to-day to attend to other things. My actual position is; the first months of the season, during which I could get no reasonable assurance that I would be paid anything, were spent in efforts to get the company to do something to satisfy the Government.

I have spent my own money to the extent of \$260,000 less \$49,000 odd I have received on account of the bridge, and a sum of \$45,000 or \$50,000 to which in all fairness,

I am now entitled on the first 10 miles is not forth coming. This may be due to the engineer reporting, setting out some odds and ends yet to do amounting to I believe \$4,000; but you may have possibly overlooked the fact that I am entitled to \$35,000 on that very section, which you have not yet provided for me.

Altogether it is extremely trying and not calculated to encourage a contractor who has endeavoured to work on the lines I follow. My record and experience is, I have been 18 years a public contractor in the Dominion, and during that time I have never had a dispute with a Government or company, and never preferred a claim that was questioned. I have never taken a suit at law against anybody, and I have never been sued. I do think the Government can and should put me in a position to finish those 20 miles promptly and then compel the company to operate the road, to a point about Caplin Church at once.

I am relying upon legislation being passed, providing for this \$70,000. I want to be absent a few days after Wednesday, 8th inst., and would like your reply before leaving; if you can possibly make a further payment on account of subsidies earned, I would like it next week.

Yours respectfully,

M. J. HOGAN.

The Hon. Mr. Hall having, to my knowledge, taken a great deal of trouble to clearly understand the Baie des Chaleurs question and to assist in any honest and practical way to unravel its unfortunate affairs, I took the liberty of addressing him letter No. 37, enclosing copy of my letter to Mr. Nantel, No. 36.

No. 37.

METCALF AVENUE, COTE ST. ANTOINE,  
MONTREAL, 4th Feb., 1898.

HON. J. S. HALL,

*Treasurer Province of Quebec, QUEBEC.*

DEAR MR. HALL,—

May I trouble you to look at the enclosed copy of a letter I addressed Hon. Mr. Nantel to-

day, It would help me very much if Mr. Nantel, yourself, or some one in authority, would write me stating that action will be taken this session arranging the subsidy mentioned for mile 60 to 80 B. C. Ry ; it is not a new subsidy you will understand.

I am greatly inconvenienced and a heavy loser financially—to the extent of a year of my time and interest on \$200,000—by my connection with this contract ; my being so treated is not much credit to the Province. I appear to be paying a heavy penalty for having relied on what appeared a well considered and very solemn letter from the then acting Premier, Minister of Public Works, Finance, &c., dated 13th June, 1891, to the B. C. Ry. Company, stating that he would re-arrange the application of certain moneys then available to the Company, in order to get 80 miles of the road finished, &c.; clearly this was done for the convenience of the Company and the Government. I did nothing to bring it about. I had refused to deal with the Company. I did not even know Mr. Garneau or a single member of the Government of that day.

My greatest mistake appears to have been in supposing that prompt action would be taken in this matter, and the \$70,000 provided during the winter of 1891-92. It appears harsh that although the money is not yet voted, I am required to finish absolutely the works for which it is intended in part, or I can get no portion of my own money back ; although the fact that the whole 20 miles is not finished long ago is due to no action having been taken by the Company or the Government to provide the money in accordance with my contract and the letter referred to. I always stood ready with men, material and money to do the work. I gave ample notice in writing and otherwise of this fact to all parties concerned ; you will see I was prevented from going on with my work (unless I chose to trust the B. C. Ry. for \$70,000) by a state of things—deadlock between the Government and the Company—which only concerned the Province and the Company. I did all in my power to help to a solution and went on working until there is very little to do, and yet it appears I can get nothing

on account of over \$200,000 I have spent on those 20 miles.

I think in the pressure of other matter you may have forgotten the exceptional circumstances of my case. I have, therefore, taken the liberty of troubling you again with this statement.

Yours sincerely,  
(Signed) M. J. HOGAN.

*From the foregoing correspondence I hope these points are clear, viz :—*

1st. That, the completion of this road at the time I undertook my part of it was absolutely necessary and in the public interest. Over \$1,000,000 in cash had been paid out by both Governments on the first 60 miles, and this sum was utterly wasted until I bridged the Grand Cascapedia river (over one third of a mile long) and extended the road eastward.

2nd. That I took great precautions on entering into the contract to prevent the possible misapplication of the Government subsidies I relied upon. It will be seen that every dollar was assigned to me, and I undertook to pay and did pay with my own funds, every dollar of disbursements that was required in connection with my work, even including right of way, and the salaries of the Engineers employed by the company.

3rd. That I pushed the work vigorously on the bridge, and the whole 20 miles, spending over \$200,000 from 1st August to the 15 December 1891, and I would have completed the whole work early in the summer of 1892 had the company and the Government been able to settle their differences and get the subsidies re-arranged by the legislature in time, as had been promised.

I am afraid these very clear and simple facts in my case have been mixed up with, if not actually buried



in, the endless complications about other parts of the road, and other things relating to this enterprise. Indeed, I am convinced by my experience in this case that a working contractor should hesitate before undertaking a public work where he accepts one of these so called companies for his legal master, while the Government being his paymaster, may, (and I suppose it can be argued that they are justified in that course) hold his money or refuse to carry out promises made to the contractor for a specific service (which service is being performed by the contractor) in the full belief that he is not affected by the company's shortcomings in other directions.

I do not complain of the present Government. I know Mr. Nantel has given this company's affairs a good deal of attention and I am indebted to him for his sympathy and much politeness. Both he, Mr. Hall and Mr. Casgrain have given me a patient hearing and have expressed a determination to make the most of what is left of the wreck towards getting the road completed, but they will require time to develop a scheme that would accomplish this, and a very long time if they stop by the way to consider the claims arising out of the many transfers of this railway, or rather the charter right to build a railway.

This company's business, charter right or whatever it is, has been bought and sold and trucked about from one wealthy ? syndicate to another several times recently. In these weighty transactions there have doubtless been complicated financial arrangements, transactions involving bondholders, trusteeships, stakeholders, &c., and a great many conditional obligations must have been assumed by the parties, which obligations may not have been kept, as the concern has not panned out very fat recently for the people who pretend, without capital or work, to build and own railways, just as a sort of side-

show, in addition to their other legitimate business—in fact, it is all done by the magic of their names, etc. Now, it is difficult to see how the claims of these speculators can be adjusted until the road is completed and in operation—and, assuredly, my affairs have no connection with the outcome. I make these observations because I believe all sorts of claims arising out of these syndicate deals and other transactions, and possibly claims against the contractors for the first 60 miles are pressed upon the Government: the effect is to befog the situation, worry the Ministers, and take up their time to an extent that may prevent their dealing with any matter on its merits. I submit that my position is clear and distinct. My money and time have gone to build an important portion of this road, to create for the province the property these people are speculating about, and which the Government can, and no doubt will, conserve and insist on its being utilized for the public benefit. I am doing this public work in consideration of an express pledge that I will be paid by the Government for it, and, when I deliver it over, I have no doubt, the Government will see that it is used for the public benefit. The Government are the company's masters, and can compel them to act properly.

If there is any question about the value I am giving, let us have the fullest investigation. On the last ten miles of this work (although the location is the best the country would permit of), I have been obliged to take out several rock-cuttings, where none were estimated for. This, with loss of interest on a large sum for such a long time, will entail expenditure far exceeding the sum of my contract.

Vouchers for engineering, right of way, steel rails, steel bridges, timber, machinery and every other descrip-

tion of materials with pay rolls, for labourers, are at the disposal of whom it may concern.

I am prepared to prove that no matter what has occurred, or may occur on other parts of this road, my part of the work is being done for less than its actual value. I have the most sacred promise a government could give that the additional subsidy of \$70,000 (upon the faith of which I went into the contract) would be paid to me. If legislation is necessary to confirm that promise, am I not entitled to it—or rather, is the Government of the day not bound to procure it—now? There is not a shadow of excuse for refusing this reasonable demand to me, or even delaying in carrying out of the terms of my contract by the Government, and I trust steps will be taken to afford me the necessary relief at once and before the opening of the working season of 1893. There is at present over \$200,000 of my own and my partner's money honestly applied to this provincial work, and as stated so often we are willing and able to furnish any further money required and complete the work in a few weeks, as soon as the Government carries out their agreement. It will be seen that we have been held back one whole year already, and that now a second session is drawing to a close without passing the promised legislation. Out of a total expenditure of over \$260,000 the only amount I have received is the sum of \$49,320 for the Grand Cascapedia Bridge. Meantime we are waiting—our money sunk and our hands tied.

M. J. HOGAN,  
Contractor.

METCALFE AVENUE,  
Cote St. Antoine, 10th Feb., 1893. }



# INDEX TO LETTERS, &c.

PAGE.	No.	DATE.	FROM.	To.	REMARKS.
		1891.			
4	1	June 5.	A. M. Thom.....	Hon. P. Garneau....	Asks re-arrangement of subsidies, last 40 miles, so as to apply \$70,000 more to miles 60 to 80.
5	2	" 16.	Hon. P. Garneau....	A. M. Thom.....	Granting request on certain conditions.
7	3	July 6..	B. C. R. Company....	M. J. Hogan.....	Contract for the work.
14	4	Dec. 9..	M. J. Hogan.....	Hon. H. Mercier....	Asking for inspection.
15	5	" 15..	Hon. H. Mercier....	M. J. Hogan.....	Saying referred to Mr. Garneau for action.
16	6	" 16..	Hon. P. Garneau....	" .....	Saying Company must apply.
		1892.			
16	7	Jan. 18..	E. Moreau.....	D. Macmaster.....	Acknowledging copy of Hogan contract and letter, dated 26th October, 1891.
17	8	Feb. 13..	" .....	" .....	Same subject as No. 7.
19	9	March 22.	M. J. Hogan.....	Hon. G. A. Nantel....	Asks for inspection of works, etc., by Government Engineer.
21	10	" 24.	E. Moreau.....	M. J. Hogan.....	Refusing unless the Company apply.
22	11	April 11.	M. J. Hogan.....	J. Cooper.....	Reporting interview with Hon. Mr. Nantel and requesting Company to take action.
24	12	" 11..	" .....	Hon. G. A. Nantel....	Enclosing copy letter to Cooper No. 11.
24	13	" 13..	Hon. G. A. Nantel....	M. J. Hogan.....	Telegram in <i>French</i> .
25	14	" 13..	M. J. Hogan.....	Hon. G. A. Nantel..	Thanking him for telegram and offering to co-operate with Company and Government.
26	15	" 14..	Hon. G. A. Nantel....	M. J. Hogan.....	<i>French</i> —Expressing desire to do all in his power.
27	16	" 19..	M. J. Hogan.....	J. Cooper.....	Asking answer to No. 11 and pressing same question.
28	17	" 20..	" .....	A. M. Thom.....	Urging Company to take action.
29	18	" 21..	A. M. Thom.....	M. J. Hogan.....	In which he hopes for a modification.

30	19	May 2..	D. Macmaster.....	M. J. Hogan.....	Letter of opinion.
39	20	" 4..	M. J. Hogan.....	Hon. G. A. Nantel....	<i>Quebec</i> —Asking if it is desired he should estimate to repair 60 miles.
39	21	" 6..	Hon. G. A. Nantel....	M. J. Hogan.....	Replies, make estimate. You won't be paid any subsidies until 60 miles are complete.
40	22	" 10..	M. J. Hogan.....	Hon. G. A. Nantel....	Estimate to repair 60 miles.
43	23	June 1.	" .....	" .....	Suggesting that as there is no decision <i>re</i> 60 miles Hogan cannot wait on them.
44	24	" 2..	Hon. G. A. Nantel....	M. J. Hogan.....	<i>French</i> —Is still studying the question.
45	25	" 3..	M. J. Hogan.....	Hon. G. A. Nantel....	Pressing for answer.
46	25	" 10..	" .....	" .....	Telegram asking answer.
46	27	" 10..	Hon. G. A. Nantel....	M. J. Hogan.....	Nantel replies: Attorney-General now considering the matter.
46	28	" 11..	M. J. Hogan.....	Hon. G. A. Nantel....	Protesting that season is passing and asking for some solution.
47	29	" 11..	" .....	Hon. T. C. Casgrain..	Offering explanations.
48	30	" 14..	" .....	Hon. G. A. Nantel ..	Telegram asking him to state definitely that he will even pay for the bridge on completion.
50	31	Oct. 31..	" .....	" .....	Long general letter on the whole question.
51	32	Nov. 10..	E. Moreau.....	M. J. Hogan.....	Acknowledging receipt of letter No. 31.
55	33	Dec 3..	" .....	" .....	Enclosing Vallée's report.
					1893.
62	34	Jan. 19..	M. J. Hogan.....	Hon. G. A. Nantel....	<i>Re</i> paragraph in <i>Witness</i> about unpaid men.
63	35	" 24..	" .....	" .....	Asking for a payment on account of miles 60 to 70.
65	36	Feb. 3..	" .....	" .....	General letter asking acknowledgment in <i>re</i> Garneau's letter No. 2, and second request for payment miles 60 to 70.
67	37	" 4..	" .....	Hon. J. S. Hall.....	Enclosing copy of letter No. 36 to Mr. Nantel and pointing out as unjust the withholding of moneys earned and pressing for compliance with Hon. P. Garneau's letter No. 2.

